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OF
DEBATES
HOUSE OF COMMONS

SECOND SESSION—TWENTY-FIRST PARLIAMENT

14 GEORGE VI, 1950

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COMPRISING THE PERIOD FROM THE TWENTY-THIRD DAY OF MARCH, 1950,
TO THE FIRST DAY OF MAY, 1950, INCLUSIVE

BEING

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OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.PH.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1950

HOUSE OF COMMONS

Thursday, March 23, 1950

The house met at three o'clock.

HOCKEY

WINNING OF WORLD AMATEUR CHAMPIONSHIP BY EDMONTON MERCURY HOCKEY TEAM

Mr. A. F. Macdonald (Edmonton East): Mr. Speaker, I rise on a question of privilege. I wish to announce to hon. members that yesterday in England the Edmonton Mercury hockey team regained the world amateur hockey crown for Canada. The victory gave the western Canada intermediate champions a clean sweep in the seven tournament games, and Canada's twelfth title since 1924.

I wish to place on the record the name of Jim Christiansen of Edmonton, sponsor of the Mercury club, as well as the names of the players. They are as follows: Marsh Darling, team captain; Jimmy Graham, coach; Jack Manson, goal; Pete Wright and Jack Davies, defence; Doug Macauley, centre; Billy Dawe and Harry Allen, wings. Others on the team include Wilbur Delaney, Jim Kilburn, Al Purvis, Don Goff, Bob Watt, Bob David, Ab Newsome, Hassie Young, Leo Lucchini and Bert Tonsi, trainer.

Yesterday in London the world amateur trophy was presented to team captain Marsh Darling by Dr. W. G. Hardy, also of Edmonton, who is president of the International Hockey Association. This hockey club has brought great honour to Canada, and I know that their expression of good will will be long remembered by the people in those nations where they served as excellent ambassadors for Canada in the field of sport. I am sure all hon. members will join in the congratulations to this great hockey club that has brought such honour to Canada, the province of Alberta and its home city of Edmonton.

Mr. Fair: Mr. Speaker, my home town of Vermilion takes second place to none in the field of sport. I should like to announce that Bob Watt, a member of the Edmonton Mercury hockey team, is the son of Mr. A. M. Watt, manager of the Canadian Bank of Commerce at Vermilion. We are proud of Bob Watt because he is responsible for scoring many of the goals that made his team the champions. My congratulations to the Edmonton Mercurys.

CANADIAN NATIONAL RAILWAYS

ANNUAL REPORT FOR YEAR ENDED DECEMBER 31, 1949

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, I desire to lay on the table the following reports in English and in French:

Annual report of the Canadian National railway system for the year ended December 31, 1949.

Annual report of the Canadian National Railways securities trust for the year ended December 31, 1949.

Annual report of the Canadian National (West Indies) Steamships, Limited, for the year ended December 31, 1949. (English and French editions).

Auditors' report to parliament for the year ended December 31, 1949, in respect to the Canadian National railway system and the Canadian National (West Indies) Steamships Limited.

Financial budget of the Canadian National Railways and the Canadian National (West Indies) Steamships, Limited, for the calendar year 1950.

All these reports are being distributed today.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

SIOUX LOOKOUT, ONT., EMPLOYMENT OFFICE

Mr. Benidickson:

4. What experience has he had that directly qualifies him for his present work?
3. Where does this person have his domicile?
2. Who was in charge of the employment service at Sioux Lookout, Ontario, on March 15, 1950?
1. What persons were working in Sioux Lookout, Ontario, employment office on (a) March 15, 1950; (b) February 1, 1950?
5. Is he a veteran?
6. What is his present remuneration on a monthly basis (a) salary; (b) expenses?

Mr. Cote (Verdun-La Salle):

1. (a) J. E. Brannan, R. A. Kelly, D. M. Maskerine; (b) J. P. Paolucci, I. M. Featherstone, J. E. Brannan.
2. J. E. Brannan.
3. Sioux Lookout, Ontario.
4. Nine and a half months of general employment, and claims officer duties in the Sioux Lookout office.
5. No.
6. (a) $155; (b) nil.

Questions

LAC SEUL—INDIAN RESERVE NO. 28—TIMBER-CUTTING RIGHTS

Mr. Benidickson:

1. What persons have possessed timber-cutting rights on Indian Reserve No. 28 within the past fifteen years?

2. What has been the annual cut of each of the said persons during each of the said fifteen years?

Mr. Harris (Grey-Bruce):

1. In the past fifteen years timber licences on Lac Seul Indian Reserve No. 28 have been held by the Keewatin Lumber Company, Limited, Ontario-Minnesota Pulp and Paper Company Limited, and Charles W. Cox.

2. Timber licence No. 173, covering the southerly 44 square miles of the Indian reserve, was issued to the Keewatin Lumber Company Limited in 1920; was held by that company until 1941 when the company became the Ontario-Minnesota Pulp and Paper Company Limited, which company held the licence from 1941 until the termination of the licence, April 30, 1949. Under this licence the annual cut during the past fifteen years has been reported as follows:

1935		no cut
1936		no cut
1937	fbm	1,609,498
1938	fbm	4,317,294
1939		no cut
1940	fbm	1,896,688
1941	cords	790
1942	cords	7,982
1943	cords	2,418
1944	cords	1,068
1945	cords	2,635
1946	cords	9,923.69
1947	cords	17,316.97
	fbm	31,842
1948	cords	962.35
	fbm	103,353
1949	cords	557.68
	fbm	99,757

The south part of the reserve, 59 square miles, has been covered in licences to Charles W. Cox, licence No. 207; granted in 1926, ran until April 30, 1947. This was followed by licence No. 337, also to Mr. Cox, which ran from May 1, 1947 to April 30, 1948. The annual cut under these two licences during the past fifteen years is as follows:

Licence No. 207—Charles W. Cox—

1935	ties	96,551
1936	fbm	660,000
1937	ties	18,278
1938	ties	22,525
1939	ties	27,150
1940		no cut
1941	fbm	301,017
1942		no cut
1943		no cut
1944		no cut
1945	cords	1,431
1946	cords	2,949
	ties	6,000
1947	cords	7,107

Licence No. 337—May, 1947 to April, 1948—

1947-48	cords	839
1948-49	cords	5,120
1949-50	cords	3,800*
	ties	250*

* Not scaled.

SOLDIER SETTLERS—INDEBTEDNESS

Mr. Fair:

1. How many soldier settlers of world war I were in debt to the soldier settlement board as at (a) January 1, 1949; (b) January 1, 1950?

2. What was the total amount of indebtedness of those settlers as at (a) January 1, 1949; (b) January 1, 1950?

3. What is the total amount paid in by the settlers during the above period?

4. In how many cases were reductions made?

5. What is the total amount of reductions granted during the year 1949?

6. Have any foreclosures been made since January 1, 1949?

Mr. Mutch:

1. (a) 2,545; (b) 1,634.

2. (a) $2,668,611.89; (b) $1,838,303.18.

3. $697,921.98.

4. 692.

5. $269,311.95.

6. No.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PAYMENTS ON WHEAT, PRAIRIE FARM ASSISTANCE, ETC.

Mr. Noseworthy:

1. What is the amount of money paid out as further payments on the wheat crops of 1945, 1946, 1947 and 1948 in each of the months January to June inclusive, 1949?

2. What is the amount paid out as further payments on the wheat crops of 1945, 1946, 1947 and 1948 during each of the months January to June inclusive, in the years 1946, 1947 and 1948?

3. What is the amount of money paid out as further payments on the wheat crops of 1945, 1946, 1947 and 1948 in each of the months July to December inclusive, in each of the years 1945, 1946, 1947, 1948 and 1949?

4. What is the amount paid out on P.F.R.A. account during each of the six months January to June inclusive, 1949?

5. What is the amount paid out on P.F.R.A. account for each of the months January to June inclusive, during the years 1945, 1946, 1947 and 1948?

6. What is the amount paid out on P.F.R.A. account for each of the months July to December inclusive, for the years 1945, 1946, 1947, 1948 and 1949?

7. What is the amount paid out on P.F.A.A. account during each of the six months January to June inclusive, 1949?

8. What is the amount paid out on P.F.A.A. account during each of the months January to June inclusive, for the years 1945, 1946, 1947 and 1948?

9. What is the amount paid out on P.F.A.A. account during each of the months July to December inclusive, during the years 1945, 1946, 1947, 1948 and 1949?

10. What is the amount of payments made by the Department of Agriculture directly to Canadian citizens during each of the six months January to June inclusive, 1949, for reasons other than further payments on wheat, on wheat crop, P.F.R.A. account and P.F.A.A. account?

CIVIL SERVICE—APPOINTMENTS

Mr. Diefenbaker:

1. How many appointments to the civil service (a) permanent; (b) temporary, were made by the civil service commission month by month, from the first of January, 1949, to the first of February, 1950, both inclusive?

2. How many appointments were made to the civil service (a) other than by the civil service commission; or (b) after certificate granted by the said commission?

PRAIRIE FARM ASSISTANCE—REFUSAL OF PAYMENTS

Mr. Diefenbaker:

1. How many (a) individual; (b) township applications for payment of P.F.A.A. were refused or denied in each of the prairie provinces between the first day of July, 1949, and the first day of February, 1950?

2. (a) In how many cases in each province was the refusal or denial of payment under the P.F.A.A. submitted to the board of review? (b) What is the total number of cases in each province in which the said board reversed the decision appealed from?

CANADIAN PACIFIC SECURITIES

Mr. Knowles:

1. As at September 1, 1939, what was the total value of Canadian Pacific securities of all kinds held in the United Kingdom, the United States, Canada, and other countries?

2. What is the total value of Canadian Pacific securities of all kinds held in the above-noted countries as at the present time?

3. Have any Canadian Pacific securities held in the United Kingdom been acquired by the government of the United Kingdom? If so, what is the value of such securities so acquired?

4. What is the total value of Canadian Pacific securities returned to Canada from the United Kingdom since September 1, 1939, and what disposition has been made of any such securities returned to Canada?

5. Did the Canadian government acquire any Canadian Pacific securities following world war I? If so, to what extent were such securities acquired, and to what extent are such securities still in the possession of the Canadian government?

6. Does the Canadian government hold any Canadian Pacific securities other than those acquired following world war I?

7. What total amount of money has the Canadian government received to the present time by way of a return on its holdings of Canadian Pacific securities, and what use has been made of this money?

8. Are any officials of the Canadian National Railways, or any directors of the Bank of Montreal, or any cabinet ministers, directors of the Canadian Pacific Railway, or any of its affiliates or subsidiaries? If so, who are such persons?

9. What is the total amount of money in the form of (a) cash grants; (b) subsidies; (c) loans, received by the Canadian Pacific Railway Company from the federal government from the time the company was first proposed until the present date?

10. What is the total number of square miles of land received by the Canadian Pacific Railway Company from the federal government, in each province, from the time the company was first proposed until the present date?

RAILWAYS AND SHIPPING

APPOINTMENT OF COMMITTEE ON ACCOUNTS AND ESTIMATES OF GOVERNMENT-OWNED TRANSPORTATION LINES

Hon. Lionel Chevrier (Minister of Transport) moved:

That a sessional committee on railways and shipping owned, operated and controlled by the government, be appointed to consider the accounts and estimates and bills relating thereto of the Canadian National Railways, the Canadian National (West Indies) Steamships, and Trans-Canada Air Lines, saving always the powers of the committee of supply in relation to the voting of public moneys; and that the said committee be empowered to send for persons, papers and records and to report from time to time, and that notwithstanding standing order 65, in relation to the limitation of the number of members, the said committee consist of Messrs. Adamson, Beaudry, Bourget, Carter, Cavers, Chevrier, Cleaver, Follwell, Fraser, George, Gillis, Hatfield, Healy, Helme, James, Knight, Macdonald (Edmonton East), McCulloch, McLure, Mott, Mutch, Picard, Pouliot, Thomas, Tustin.

He said: This, Mr. Speaker, is the usual motion which is made every year prior to the establishment of the railways and shipping committee to which are referred the annual report of the Canadian National Railways, the report of Trans-Canada Air Lines and certain other items of the estimates which are withdrawn from the committee of supply. It is in the same form as it was last year.

Mr. Graydon: Did the Minister of Public Works tell us about this yesterday?

Mr. Fournier (Hull): I did not announce this, Mr. Speaker; but generally the setting up of this sessional committee is a matter of form.

Mr. Chevrier: My understanding is that it has never been the practice to announce a motion such as this the evening before; certainly it has not been done in the five years I have been in the Department of Transport.

Mr. Fournier (Hull): That is why I did not announce it.

Mr. Graydon: I was just asking an innocent question.

Motion agreed to.

CHANGE IN PERSONNEL OF SPECIAL COMMITTEE

Mr. W. G. Weir (Portage-Neepawa) moved:

That the name of Mr. Fulton be substituted for that of Mr. Tustin on the special committee on railways and shipping owned, operated and controlled by the government.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

REFERENCE OF ANNUAL REPORT, BUDGET AND CERTAIN ESTIMATES TO RAILWAYS AND SHIPPING COMMITTEE

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, by leave of the house I should like to move:

That the annual reports for 1949 of the Canadian National railway system, the Canadian National (West Indies) Steamships Limited, the Canadian National Railways securities trust, the auditors' report to parliament in respect to the Canadian National railway system and the Canadian National (West Indies) Steamships Limited, and the budget of the Canadian National Railways and Canadian National (West Indies) Steamships Limited for 1951, tabled this day, be referred to the sessional committee on railways and shipping owned, operated and controlled by the government, together with the following estimates for 1950-51:

Vote 493—Maritime Freight Rates Act, Canadian National Railways;

Vote 494—Maritime Freight Rates Act, railways other than Canadian National;

Vote 558—Prince Edward Island car ferry and terminals, deficit 1950;

Vote 559—Canadian National (West Indies) Steamships Limited, deficit 1950.

And that the resolution passed by the house on February 24, 1950, referring certain estimates to the committee of supply, be rescinded in so far as the said resolution relates to votes Nos. 493, 494, 558 and 559.

Motion agreed to.

AUDITOR GENERAL

REFERENCE TO MEMORANDUM PREPARED FOR SENATE COMMITTEES

On the orders of the day:

Mr. Jean François Pouliot (Temiscouata): As a private member of the House of Commons, Mr. Speaker, I rise on a question of privilege. I have been informed that a memorandum prepared by the Auditor General has been distributed to the members of the several committees of the Senate which are scrutinizing the estimates. I hope that the government will supply each member of the house with a copy of that memorandum. I suggest that it should be printed in legible type and with subtitles.

INCOME TAX

INQUIRY AS TO COLLECTION OF TAX ON CAPITAL GAINS

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): I should like to ask the Minister of National Revenue if the officers of his department, in collecting taxes on capital gains, are acting on the instructions of the department; and if so, whether any change in those instructions is contemplated by the government.

Hon. J. J. McCann (Minister of National Revenue): The officers of the Department of National Revenue are not collecting taxes on capital gains.

PRAIRIE FARM ASSISTANCE

QUESTION AS TO AMENDMENTS TO INCREASE AMOUNTS PAYABLE, ETC.

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to direct a question to the Minister of Agriculture, arising out of a speech which he delivered in Saskatoon within the last week. It has to do with the Prairie Farm Assistance Act. Having regard to the fact that the drought area in the western provinces was worse last year than ever before, has the government in contemplation amendments to the Prairie Farm Assistance Act in order to provide for an increase in the amount payable, the alteration of the qualifying boundaries, or, generally, amendments to remove certain anomalies that have been found in the operation of the act; and if such amendments are made, will they apply to the 1949 failure?

Right Hon. J. G. Gardiner (Minister of Agriculture): The gathering which I attended in Saskatoon was, as my hon. friend knows, the meeting of the municipal association of the province of Saskatchewan, with representatives from Manitoba and Alberta also in attendance. A number of their resolutions had to do with possible amendments to the Prairie Farm Assistance Act. I told them that at this session I would be introducing an amendment to the effect that the area reduced by the amendment of last year, from nine sections to six sections, both of which were to be rectangular, would not need to be rectangular. That applies on the taking in and putting out of areas.

Mr. Diefenbaker: That will be very helpful.

Mr. Gardiner: That provision will be introduced. So far as I recall, that was the only proposed amendment I discussed with them. There were, of course, suggestions made that there should be other amendments. I was asked the direct question whether we were going the change the amounts. I did not give any encouragement in answering that question. As a matter of fact, so far as I can remember at the moment, I said there would be no change in payments.

Mr. Argue: Since I have asked the Minister of Agriculture a question identical to that asked by the hon. member for Lake Centre, except in one particular, would the minister mind saying whether any amendments will be introduced to make the half-township provision apply to all parts?

Mr. Gardiner: We brought in an amendment last year which to all intents and purposes, does that.

Mr. Argue: No.

Mr. Gardiner: We may have a difference of opinion about it, but there is no further amendment on that point.

NATIONAL DEFENCE

SEA ISLAND, B.C., AIR FORCE STATION—EMERGENCY QUARTERS

On the orders of the day:

Mr. G. R. Pearkes (Nanaimo): I should like to direct a question to the Minister of National Defence, notice of which I have sent him. Have instructions been issued by officers of the Department of National Defence to the effect that families of servicemen occupying emergency quarters at the Sea Island, British Columbia, R.C.A.F. station, are to vacate these quarters by April 1? If so, will the minister authorize an extension of the time limit to those who are unable to find other suitable accommodation?

Hon. Brooke Claxton (Minister of National Defence): There is no information on this subject available at national defence headquarters. Since receiving notice of the hon. gentleman's question today I have caused inquiries to be made by the R.C.A.F. at Vancouver, and just as soon as information is received I will communicate it to him. If the information indicates the desirability of taking action such as he suggests, that action will be taken.

COMBINES INVESTIGATION ACT

FLOUR MILLING INDUSTRY—OPINION OF COUNSEL AS TO PROSECUTION—LIMITATION OF ACTIONS

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to ask the Minister of Justice a question arising out of the answer to a question which is to be found at page 1003 of *Hansard*. In that question I asked:

> Was a submission made to counsel following delivery to the Minister of Justice on the McGregor report on the milling industry for an opinion to ascertain whether the recommendations were such that proceedings either under the combines act or the Criminal Code should be taken?

And also:

> Was a legal opinion secured from the law officers of the crown or other counsel on the question as to whether the limitation of actions provided for in section 1141 of the Criminal Code applied to prosecutions under the combines act?

The answer was yes, and the counsel were named. Will the minister table the replies given by Mr. Kelly and Mr. Phelan?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, if my hon. friend will refer back to *Hansard* he will see that a question almost identical in substance to the one he has just asked was asked by the hon. member for Rosetown-Biggar (Mr. Coldwell). Having received no notice of his question, I am sorry I cannot give him the exact page in *Hansard*. The answer which I gave on that occasion will answer exactly the question which my hon. friend has asked.

Mr. Diefenbaker: I ask the minister this: Instead of filing the submission or the answer given by counsel, will he say whether prosecution was recommended, or whether in their opinion the limitation of actions actually applied?

Mr. Garson: If my hon. friend will consult the answer to which I have referred, I think he will find that it is an answer to his present question as well.

Mr. Diefenbaker: No; far from it.

Mr. Garson: If my hon. friend wishes, I have no objection to repeating the substance of the answer, which was to this effect: Upon receipt of the question asked by the hon. member for Rosetown-Biggar I consulted with the deputy minister of the Department of Justice, who told me it was the first time in his experience that any such question had ever been asked, seeking the production of confidential legal opinions given to officers under the Combines Investigation Act. I also said that I had consulted with the then commissioner, Mr. Fred A. McGregor, and was informed by him that, having regard to the fact these opinions were based upon a consideration of all the evidence and exhibits, which were analysed and examined at very great length, and that since in these opinions the advising counsel indicated the course of actual conduct of the prosecution in these cases, it would be of the greatest value to the defence; and for that reason these opinions had always been regarded as confidential in nature, had never been produced, and, as I indicated before, had never even been asked for.

I might add that we have at the present time three prosecutions under way: one against certain companies in the bread

industry, another against certain companies in the flat glass industry, and another against certain companies in the match industry.

As to the legal point concerning limitations, I am informed that that point will arise in each of these prosecutions. As to the prosecution against the bread industry, there are several points which arise in connection with the milling report which will have a possible bearing legally upon the issues in the bread industry. For these reasons we think that, in accordance with what has always been the practice, these opinions should not be tabled, nor should any indication be given of their contents.

Mr. Diefenbaker: On a question of privilege arising out of the answer given by the Minister of Justice, I will not seriously contend that—

Mr. Speaker: Order.

Mr. Diefenbaker: I am rising on a question of privilege.

Mr. Speaker: I have given considerable leeway on this question. Probably I should read the first paragraph of standing order 44:

> Questions may be placed on the order paper seeking information from the ministers of the crown relating to public affairs, and from other members relating to any bill, motion, or other public matter connected with the business of the house, in which such members may be concerned; but in putting any such question or in replying to the same no argument or opinion is to be offered, nor any facts stated, except so far as may be necessary to explain the same. And in answering any such question the matter to which the same refers shall not be debated.

It seems to me we are getting into a debate. Probably I should allow the hon. member for Lake Centre to proceed with his question, but I hope that in future hon. members will endeavour to observe the rule.

Mr. Diefenbaker: Mr. Speaker, I shall not transgress the rule. I want to point out that I agree with my hon. friend so far as a portion of his reply is concerned. He says that the question of the limitation of actions will come up in other prosecutions, and that therefore the crown should not reveal the attitude of its law officers. I am going to agree with him on that. That does not apply, however, to the first part of the question which asks whether a submission was made to counsel following delivery to the Minister of Justice to ascertain whether prosecutions may be taken under the combines act or the Criminal Code. Your Honour will remember that the Minister of Justice, in the case of the bread prosecution, the glass prosecution and the match prosecution, said he would not proceed until he had a recommendation from counsel to whom the matter had been submitted.

[Mr. Garson.]

Some hon. Members: Order.

Mr. Diefenbaker: It is for that reason I ask why in this case that course was not followed.

Mr. Wright: I wish to ask a question of the Minister of Trade and Commerce—

Mr. Drew: Mr. Speaker, on a point of order,—

Some hon. Members: Sit down.

Mr. Speaker: The leader of the opposition is raising a point of order.

Mr. Drew: Mr. Speaker, I think there is an aspect of this that has not been placed before you.

An hon. Member: What is the point of order?

Mr. Drew: I am addressing my remarks to you, Mr. Speaker, in case there may be any doubt about it.

The point that arises in connection with the discussion which has taken place is this. The Minister of Justice supported his previous announcements of prosecutions by the statement that he was acting upon recommendation. If that is an appropriate explanation to the house for acting, then surely it is equally appropriate for the minister to inform the house whether he received an opinion to that effect in the case under which he is proceeding. I submit that only Your Honour can determine whether the question as asked is in keeping with the practice which has been established.

Mr. Speaker: Let me say, as I said a moment ago, that this discussion is out of order under our standing orders. I would also say, however, that if the minister of whom the question is asked thinks it should be answered, he may answer, but I cannot compel him to do so.

WHEAT

QUESTION AS TO MAKING CHURCHILL A DELIVERY POINT UNDER INTERNATIONAL AGREEMENT

On the orders of the day:

Mr. P. E. Wright (Melfort): Mr. Speaker, I wish to ask a question of the Minister of Trade and Commerce. Last session, while we were discussing amendments to the Canadian Wheat Board Act to make Churchill a basing port under that act, the minister stated that negotiations were under way with respect to making that port a delivery point under the world wheat agreement. Can the minister say whether any agreement has been reached in the matter?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, speaking subject to confirmation after I make sure, I was informed that Churchill is a delivery point under the wheat agreement. I am quite sure I was advised of that about six weeks ago. However, if that is not so I will inform the hon. member.

Mr. Wright: Can the minister say what the price of wheat will be at that port, as compared with Port Arthur and Fort William?

Mr. Howe: I shall have to secure that information and answer at another time.

HOUSE OF COMMONS

PROCEDURE IN ASKING QUESTIONS ON THE ORDERS OF THE DAY

Mr. Speaker: I have noted that some of the questions asked today on the orders of the day have been lengthy. Perhaps I might remind hon. members of the stand taken by my predecessor, that questions on the orders of the day should be brief and to the point; that hon. members should seek information rather than give it, and that there should be no debate.

REFERENCE TO REPORT IN KINGSTON "WHIG-STANDARD" OF MARCH 21

On the orders of the day:

Mr. John M. James (Durham): Mr. Speaker, I rise on a question of privilege. I should like to call the attention of the house to what I consider a very serious matter. Apparently there are others in the house who believe as I do about it.

My question concerns a report which appears in the Kingston *Whig-Standard* of Tuesday, March 21, and refers to a speech made by the hon. member for Nanaimo (Mr. Pearkes). Let me say that I have the greatest respect for the hon. member and I regret that in this instance he has fallen from grace, and also that he has adopted an attitude which I am sure—

Mr. Drew: Mr. Speaker—

Some hon. Members: Sit down.

Mr. Speaker: If the hon. member for Durham has a question of privilege, he should state it.

Mr. James: I shall begin by reading the article as it appears in the Kingston *Whig-Standard*, and I believe as I go along the question of privilege will become clear. The article is headed "Canada nears one-party state, is charge of General Pearkes here".

Mr. Speaker: That does not suggest to me a question of privilege.

Mr. James: There is one paragraph further down in the article which, I think, will suggest a question of privilege to every member of the house. It reads:

> Certain members of the Liberal party are calling today for the elimination of all opposition.

Some hon. Members: Hear, hear.

Mr. Graydon: They always are.

Mr. James: That is an inaccuracy which must be brought to the attention of the house.

Some hon. Members: Order.

Mr. Speaker: Order. When the Speaker rises the hon. member should resume his seat. I would say, with respect to the last sentence to which the hon. member has referred, that members of the opposition have the privilege of making that statement at any time they may wish. I am not, of course, offering any opinion as to the accuracy or otherwise of the statement. I doubt however if it involves any question of privilege.

Some hon. Members: Hear, hear.

Mr. Speaker: I must maintain order in the chamber. From what has been read thus far I doubt whether it amounts to a question of privilege affecting hon. members of the house and for that reason I do not think I should allow the hon. member to continue at this time. However, if he would like to show the article to me I will decide whether it is one on which a question of privilege might be raised, and, if I so decided, I could allow him to proceed at a later time. At the moment I do not think he should proceed.

INQUIRY AS TO TABLING OF STATUTORY REPORTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to ask the Prime Minister whether he has yet been able to make the inquiries he said he would make, in answer to my question of March 14, having to do with whether or not all reports the tabling of which is required by law have yet been tabled this session.

Right Hon. L. S. St. Laurent (Prime Minister): I have been able to make the inquiries, but I have not yet been able to get the answers.

IRRIGATION

ST. MARY-MILK RIVER PROJECT—AGREEMENT BETWEEN DOMINION AND PROVINCES

On the orders of the day:

Mr. W. D. Wylie (Medicine Hat): I should like to ask a question of the Minister of Agriculture. In view of the fact that the

minister has been in Alberta during the past week, and in view of the various statements appearing in the press—

Some hon. Members: Question.

Mr. Wylie: In view of the various statements appearing in the press about an agreement being signed between the dominion and provincial governments with respect to the St. Mary-Milk river project, will the minister tell the house whether that agreement has been signed?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, my answer, as briefly as I can give it, is no. Perhaps, however, I should say something more than that. A verbal agreement was reached at Edmonton, and I left officials there to work with officials of the provincial government in the drafting of an agreement which we have said we will sign.

AGRICULTURAL PRODUCTS ACT

EXTENSION OF OPERATION FOR A PERIOD OF ONE YEAR

Right Hon. J. G. Gardiner (Minister of Agriculture) moved that the house go into committee to consider the following resolution:

That it is expedient to present a bill to amend the Agricultural Products Act to extend the operation of the act for a period of one year.

He said: Mr. Speaker, I have discussed with representatives of the groups on the other side of the house the procedure which I hope will be agreed to, and with which those with whom I discussed the matter are in agreement. This is a resolution on which will be based a bill to amend the Agricultural Products Act to extend the operation of the act for a period of one year.

The original act, passed in 1947, provided that the contracts which were entered into during the war could be carried on following the war. The legislation has applied only for twelve months at a time, and therefore on three occasions we have passed a bill similar to the one which will be introduced providing that the act shall continue in existence for a further period of one year. That is all there is in the bill to be presented.

I realize that that raises the possibility of a discussion of the British contracts, and some hon. members may wish to have a rather free discussion. I would point out that I am hoping to introduce another resolution in connection with the Agricultural Prices Support Act. The introduction of that resolution would permit the discussion of everything that we might discuss under this resolution, and probably the British agreements as well.

[Mr. Wylie.]

What we do under that act has been done to replace what was being done under the other.

If it meets with the unanimous consent of the house I suggest that this resolution be permitted to go through, and that the bill to be based upon it be passed through its various stages; we could then proceed immediately to discuss the other resolution. I was going to suggest that Mr. Speaker do not interfere with us when we are discussing the other resolution as he might if we were to attempt to discuss certain matters under this resolution and other matters under the other. Otherwise we would probably be called to order, and quite properly.

I think we would get along better if we discussed everything under the other resolution and the bill which will be based thereon. I hope this procedure will meet with the approval of members of the opposition. If so, we could get this legislation through quickly and on its way to the Senate and then have our discussion on the next resolution. I am not pressing this if it does not meet with approval; I am only suggesting it.

Mr. Wright: So far as we are concerned we would be quite prepared to let the resolution go through its necessary stages today, but I do not think we would be prepared to let the bill go through. It could be given first reading and then come up for second and third readings tomorrow.

Mr. Gardiner: Allow it to go through and it can be called for second reading later.

Mr. Charlton: We in this group are prepared to let the resolution go through today and give first reading to the bill, but not to go any further at this time.

Mr. Fair: That position is agreeable to us.

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

Resolution reported, read the second time and concurred in.

Mr. Gardiner thereupon moved for leave to introduce Bill No. 16, to amend the Agricultural Products Act.

Motion agreed to and bill read the first time.

AGRICULTURAL PRICES SUPPORT ACT

PROVISION FOR CONTINUATION IN FORCE ON AND AFTER MARCH 31, 1950

Right Hon. J. G. Gardiner (Minister of Agriculture) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to provide that the Agricultural Prices Support Act, 1944, shall continue in force on and after the thirty-first day of March, 1950.

Mr. Argue: Is the minister going to make a statement?

Mr. Gardiner: Mr. Speaker, I am quite prepared to make a statement now, but it would not cover everything we will want to discuss.

This act was passed in the session of 1944. It provided for the placing of support prices under staple agricultural products, during the transitional period. There was also a provision in the act requiring that it be extended from time to time if it was going to be applied. In other words, it was not permanent legislation. It has already been announced that the legislation will be made permanent during this session. The simplest way to do that would be to take out the provision which made it necessary to extend the act from time to time. The act would then be in exactly the same position as most acts passed by this parliament; that is, it would continue in effect so long as the parliament of Canada did not take any further action.

There has been considerable discussion as to the intentions of the old act, and I do not think I could do better this afternoon than read what I placed on the record on July 29, 1944, as to the intentions of the act. We have operated under the act on that basis up to the present time. I should like to quote from page 5611 of *Hansard* of July 29, 1944, where I am reported as follows:

That is another reason why the bill is applied to the transitional period. That does not mean that when the transitional period is up, any government which happens to be in power at that time is in duty bound to do away with the legislation in its entirety, that it will have no right to amend that legislation in any way. Of course, any house that may be here at any time after the war has the right to amend the measure in any way it may see fit. But this particular bill is for the purpose of dealing with a situation that does exist, as it exists, during the transitional period between war and peace. I hope that our markets for farm products for a period of years, possibly two or three or more, for most of our products, will be sufficiently good that we shall be able to obtain a price which is comparable with the price we are now obtaining for our farm products of different kinds. If so, the board that is in existence during that period of time will be keeping a check on what is happening during that period, comparing it with what happened during the war period; and immediately there is any necessity for taking action in connection with any farm product, authority is given the board under this legislation to purchase a surplus of that farm product at the floor price which the government of the day considers to be a reasonable floor in the light of all the facts existing in connection with the case.

I am asked what will they do with all that; will they get rid of it?

That is, all the surpluses.

I can assure hon. members that if I am minister charged with the task, there will not be any of it that will be burned or dumped into the ocean or into the lake. One thing has been demonstrated to us during the war, and as a matter of fact we have always known it. We have always known that there are areas in the world where there are famines from time to time. There are areas where great masses of the population are never properly fed, and there has never been a time when it would not have been possible to take all the food commodities of Canada and send them to some place where someone could have made use of them. Unfortunately, in the past we have kept our actions of that kind limited pretty much to the people that we know most about. But we are entering upon a period when one can leave his home in any part of the world and be in any other part of the world in which he wishes to land some time within the next twenty-four or forty-eight hours. Therefore the radius of our activities and our friendships and all that kind of thing will be very much wider when this war is over than they have ever been before. I am not worrying about finding some place where we can put the surplus food of a country that has only twelve million people in it to start with.

Then we went to dinner, and during the interval I prepared a statement which I read to the house when I came back at eight o'clock. This is the statement, to be found at page 5612 of *Hansard* for July 29, 1944:

Before the dinner recess I was dealing with some of the points that were suggested by hon. members opposite, particularly the questions raised by the hon. member for Lake Centre and the hon. member for Lethbridge. Perhaps I can best sum up the answers I should like to give to those questions by saying that it would not be fair to the farmers of Canada to do certain things in the transition period. First, I should say it would not be fair to order them, immediately the war is over, to reduce production to the level at which it is certain the commodities could be sold at a given price. I was asked what we were going to do, provided that we had great surpluses, and I call attention to what I have just stated as an answer to that question, and to repeat what I said just before the dinner recess.

During this war period we have been asked to increase production to the limit in order to provide food to those of our allies who require it, as well as to our own people. I repeat that it would be unfair to the farmers, immediately the war is over, to say they must reduce their production to the point where everything they produce can be disposed of at a given price. And I would state that this bill contains provision for dealing with the situation where a given price is essential for uncontrolled production during the transition period.

Then I should say it would be unfair to the farmer immediately to require him to sell at the cost of production, without considering at all any losses he sustained because of the war or any returns he was denied through the controls established during the war. The suggestion was made that farmers had been denied returns in the earlier part of the war and that just at the time when in the ordinary course of events, according to the experiences of the last war, he would have reaped some returns which would have been helpful to him, ceilings were placed upon prices, as a result of which he was denied as great a return as otherwise he might have received. All those matters would have to be taken into consideration during the transition period along the lines I have suggested.

Then, too, I should say it would be unfair to hold that because a farmer had an exceptionally good crop during the transition period he should be prepared to accept a low return per unit, and I make that statement also based upon what I said

a few moments ago. During the period of control, in 1942 the farmers had one of the best crops they ever grew. They had a very fair crop in 1943, and it seems likely that this year they will have one of their very best crops again. During these three years we have had prices controlled. I am not at all sure, and neither is anyone in this house, how many years longer those controls are going to remain in effect, but up to the present the production of field crops has been far beyond what we had any right to expect at the time those controls were established.

I make that statement in reply to the suggestion of the hon. member for Lethbridge this afternoon that because we had suggested that wheat acreage be reduced for the time being we were really paying the farmers to decrease production. If he had applied that statement to the efforts of the government in relation to wheat only, it would have been a statement of fact; but when one takes into consideration the further fact that the government made those payments in such a way as to increase the production of feed grains and in turn increase the production of livestock products, it cannot be said that the policy was intended to lower the production of food products. If the policy had been adopted for that purpose it certainly failed, because in 1942, 1943 and, as far as we can tell, in 1944, as was stated this afternoon by the hon. member for Halton, our production has increased by at least 50 per cent. While hon. gentlemen opposite may not agree, I venture to say that, making allowance for the fact that we had good weather in some of those years, these results have come about almost entirely from the policy that was announced and put into force by this government in relation to agriculture.

So that I say the fact that we shall have had two very good crops and one average crop during the period of price ceilings should be taken into consideration in the post-war or transition period, and that farmers who were denied higher returns during wartime should not be denied a fair return on their product simply because in some of the years following the war the yields may be very high.

One of the questions asked directly was this: Is this bill intended to make this country self-sustaining? I would put it in a little different form and say, if the question is whether this bill is intended to promote the production of everything we need in this country, or all the food products that we might desire to have in this country, then those of us who had to do with the drafting of the bill had no such idea in mind and did not intend that the legislation should be used for that purpose. The hon. member for Lethbridge was very much concerned as to how we were going to raise the money. He spoke of this $200 million as an amount of money that had to be found somewhere in order to carry on the activities contemplated by this measure. Of course the $200 million is a revolving fund.

I want to repeat that.

Of course the $200 million is a revolving fund. If a market can be found for all the products over which the government may take control, owing to the fact that they have taken charge of those products at floor prices through some of the organizations provided for in this legislation; if the government can dispose of all those products at floor prices, it will not be necessary to raise any money by taxation or in any other way. In other words, the $200 million is provided in order to have a fund from which to purchase the commodities, or with which the purchase of commodities may be made. Those commodities may be some I mentioned in my speech this morning. One commodity might be butter purchased in the months of May, June and July, put in storage, and put back on this market at possibly the same price in the winter months with the costs added to it.

If the whole $200 million were used for transactions of that kind, then, of course, it would not be necessary to raise money from taxes, or to issue paper money, or to do anything else of that kind, in order to get the money that would be necessary with which to carry on activities under the bill. But if, on the other hand, in dealing with some of these products we were to find it necessary in order to provide floor prices, which we think are essential to give the farmer a proper return, to place the products on this market in Canada, or on any other market at a price lower than that which we had paid under the floor, then it might be necessary to take part of the $200 million in order to make up the difference between the price paid to the farmer for the surplus, and the price received from whatever country we were sending it to. In other words, there might be part of the money which would have to be found by general taxation, or in some other way. But to the extent that products can be disposed of at any price at all, the price received for them, or the money received for them, will go into this revolving fund. And if we make up $200 million through transactions, it would not be necessary to raise anything by taxation.

I read that again because there has been a great deal of discussion with regard to what we had in mind when this bill was introduced. It does reveal that, when the bill was going through the house and before it became legislation, everything which has been done under it since that time was then outlined as a possibility. We have been following almost exactly what we suggested at that time we might follow. I only call attention to what I have just read, Mr. Speaker, with regard to the handling of butter, to show that in the handling of butter during this last year, we have followed to the letter what was outlined.

I do not think it is necessary for me to say anything more than that at the moment. In closing I simply say that we have no different intent in the bill as it now is; we are not changing the terms of the legislation in any manner whatever, except that the time limit is being removed. The proposed amendment removes the time limit, so the bill will contain only one section, just as the other one did. The time limit is removed from the act as it now stands, and it is made applicable over the years that are ahead, as long as this parliament sees fit to keep it on the statute book. I suggest, therefore, Mr. Speaker, that the idea behind it all is to put this legislation in the position we suggested, namely, that it is to apply throughout the future.

Mr. J. A. Charlton (Brant-Wentworth): Mr. Speaker, I think in the past all parties in this house have expressed approval of the principle in this floor prices legislation for primary producers. The unfortunate situation arising from the difficulty of securing markets now makes the application of some measure of this sort extremely necessary. I am sure

that we as a party do not believe it is necessary to take further time of the house at this stage, until we see what the bill contains.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I, too, welcome the introduction of this legislation, which foreshadows the placing of the Agricultural Prices Support Act, 1944, on a permanent basis. I had hoped the Minister of Agriculture (Mr. Gardiner), in his introductory remarks, would give us something new, something more specific as to what might be done under this act in the years that are ahead. Instead, he read the speech he made in introducing this legislation in 1944. I think the farmers of Canada, while they welcomed the bill in 1944, and while they welcome the placing of this act on a permanent basis in 1950, do not feel that the government has given any real stability to farm income under this act.

I might point out for example, what happened within the last week of August last year, while this measure was in force. The price of hogs at Winnipeg was $31.85 per hundredweight for grade B-1. At the end of December a similar hog was selling for only $26.10 per hundredweight. A drop of $5.75 per hundredweight for hogs within a period of a few months, with this act on the statute book, is certainly not giving farm income any real degree of stability. While this act was in effect, and while the Agricultural Products Act was in effect, the act which will be continued for another year, we find that the packers were not playing the game, either with the Canadian producer or with the British consumer.

For example, in the year 1949 there was shipped a total of 65 million pounds of bacon to Britain. In the first ten months of 1949 we shipped to Britain approximately 33,800,000 pounds of bacon. In the last two months of the year we shipped over 31 million pounds. In other words the packers of this country held bacon in storage until near the end of the year when they learned the new contract price, and then in the last two months of the year unloaded as much bacon on the British market as they had delivered in the first ten months of the year. That is not stabilizing the bacon market, nor is it providing bacon, month in and month out, for the British people. The British do not want to go hungry for bacon for ten months and then have a feast in the last two months of the year, merely because the packers can make a lot more money by conducting their business in that way.

To further substantiate what I have said with reference to the fact that the farmers have not been satisfied with what has been done under this act, I might point to the drastic drop that took place in egg prices last December and January. After December 17, eggs were not bought for the British market, but it was not until January 27 that the government announced it was placing a floor price under eggs. It was not until the farmers across this country had held one protest meeting after another that the Minister of Agriculture finally used the act which he said in 1944 would be used to provide stability in the transition period. I might quote from memory a sentence in a speech of the minister last January in which he said price support for eggs was necessary because at Dauphin, Manitoba, for example, prices for eggs had dropped to as low as eighteen cents a dozen. In the first part of December the farmers received at least fifty cents a dozen, and some of them a good deal more; the government waited until January, waited until a great many producers were getting as little as eighteen cents before any steps were taken to provide a floor under egg prices. I should like to say to the minister that it is all very well for him to read the speech he made in 1944, in introducing this bill; but if the government does not do more in the next five years than it did in the last five years under this bill, the farmers will be thoroughly and justly dissatisfied.

Under the act $200 million can be used by the government from time to time to provide support for agricultural prices. I think it is not good enough that the minister have $200 million with which he can support agricultural prices at any price he may choose. We know that the floor price of butter today is 58½ cents a pound; we do not know how low the minister will allow the price to go. While there is under hogs today a floor of $32.50 a hundredweight, we do not know what the floor will be next year. The farmer certainly has no way of knowing from one year to the next what floor prices, if any, will be established. I therefore believe that the government and the minister should write into this act a parity formula whereby the agricultural producers of this country will be guaranteed, under the statutes of the nation, a price that will not go below a certain figure based on that formula. It is not good enough to say now that eggs shall be supported at 36 cents and 38 cents a dozen when we do not know what support, if any, will be under eggs next year. In my opinion it is not good enough to support egg prices to the packers as the government is doing, and not to the producer and to support bacon prices to the packers and not to the producers. As I pointed out earlier we saw the packers holding off the sale of bacon they had in cold storage until such time as they themselves could make the greatest profit.

No one can produce hogs with any degree of assurance that he will obtain a reasonable return if hogs are going to drop as they did last year more than $5 a hundredweight within a period of four months. That amounted to $8.60 for a 150-pound dressed hog. The Minister of Agriculture (Mr. Gardiner), who has raised hogs in the past and is no doubt raising them today, would agree with me, I think, that if a farmer made $8.60 per hog after he had paid for any necessary labour, feed costs, depreciation on buildings, transportation and what-have-you, he would consider that he was making a good profit indeed. If that is the case, then the fact that hog prices dropped so greatly within a period of a few months means that the farmer lost money or in any event worked for nothing.

The minister is going to have $200 million, which he may or may not use from time to time to support agricultural prices as he sees fit. Every time the Minister of Agriculture gets a little surplus of butter, as he would say, or a little surplus of cheese or whatever it happens to be, a cry goes up in the press across the country that the taxpayers of this nation are providing millions of dollars to store agricultural surpluses to keep prices artificially high, and that the taxpayer in the final analysis is the one who will suffer. These comments usually end with saying a free market is best and support prices should not be established under agricultural commodities.

I am going to say that if the government uses the whole $200 million over a period of five years, and does not recoup a dollar from that $200 million, the farmers are still entitled to that kind of support program. The farmers have contributed in various ways to put a floor under the standard of living of certain other sections of our community. I might refer to the Unemployment Insurance Act. It protects, to some extent at least, workers who find that their services are being offered in a falling market. Since 1941, under the Unemployment Insurance Act, the government has contributed a total of more than $127 million; and in the estimates before parliament at the present time is a further $23 million for unemployment insurance for the coming year. That makes a total of $150 million that the taxpayers of Canada are paying into a fund to protect the workers of this nation. I support the unemployment insurance fund, and I believe the agricultural industry would also support a measure of that kind. But I want to point out at the same time that all that those engaged in agriculture are asking is that they be given a program similar to the unemployment insurance program, in that a minimum standard of living be guaranteed the primary producer.

I might point out that through tariffs a great many industries in Canada are protected at the expense of all the Canadian people, including farmers. We have tariffs on British woollen goods, British clothing made from wool, British boots and shoes, washing machines and bicycles, to mention only a few. The farmers of Canada and the people of Canada generally are making a contribution to keep certain industries in operation in this country. The tariffs have protected industry, and farmers ask that they too be given protection through floor prices in the marketing of their products.

I might also mention the fact that the government found it possible, from 1939 until February 1949, to pay to the iron and steel industry a total of more than $51 million in subsidies. I hope the steel industry and other industries that have been protected through tariffs and subsidies will not set up a howl if it costs some money, and some real money, to protect the agricultural producers of our nation. I feel that the prosperity of agriculture in this nation is important not only to the farmers but to each and every occupational group in our country.

Whenever a recession or a depression occurs, farm prices are the first to fall, and with a fall in the level of farm prices, with a reduction in agricultural income, we soon witness widespread unemployment. Whenever the farmers of this nation cannot purchase the products manufactured in our factories, the workers are out of work, the factories are shut down and the whole Canadian nation is suffering. Therefore, in asking that the $200 million be used in a way that will give farmers in the next few years a standard of living at least equal to that enjoyed from 1947 to 1949, I am asking for something that I believe is in the interests of all Canadian people.

One might go over some of the statements that have been made in the past as to whether or not we are losing our markets, and as to whether or not the government is to blame for what has happened. However, I do not propose to pursue that argument at this time. I want to remind the minister of the statement he repeated in introducing this measure this afternoon, namely, that when the world is hungry, when millions of people across the face of the earth are underfed, Canada has no business worrying about finding a place for surplus food, particularly when we are a nation of only 12 million people.

I want to tell the minister too that farmers did have a ceiling placed on farm products,

and that they accepted lower prices during the war, and in many instances since the war. Farmers made that sacrifice in the belief that a proper permanent stabilization program would be adopted. How many hundreds of millions of dollars the wheat producers have sacrificed, I do not know. I do not think anyone else knows, but I do know that because of the government's policy of keeping bread prices down in this country, and signing a British contract which hon. members on all sides of the house supported, farmers in western Canada took substantially less for their wheat than might have been received. But the very fact that in the past farmers have accepted less for their products —and in the last few years farmers have made a real contribution to the whole Canadian nation by providing food at reasonable prices—is an indication that they have a just cause when they ask the government to inaugurate a policy which will give them adequate floor prices in peacetime, and when they ask the rest of the nation, if necessary, to provide the money required in order that stabilized prices may be maintained.

The minister is going to have a great deal of difficulty in selling a price-support program to the Canadian nation which results in merely a piling up of surpluses in Canada. We cannot sell that kind of program to the Canadian people. It is not enough to set floor prices. We must move food into consumption channels, and into trade channels throughout the world. I suggest to the minister once again that, along with his colleagues, he explore the possibilities of implementing bilateral trade agreements not only for the sale of agricultural commodities to other nations of the world, but for the importation of manufactured commodities into Canada.

I suggest to the minister and to the government that they might well consider the possibility of accepting sterling in payment of farm products sent to Great Britain. It is not right, it is not just, that we should be piling up surpluses of agricultural commodities in Canada when there are hungry people in the world. We are trying to sell democracy to the world but you cannot sell democracy to a man who is hungry. The United States is trying to sell democracy to every nation in the world. But in my opinion they cannot sell democracy to nations in which millions of people are hungry at the very time when in the United States they have $4,000 million of agricultural surpluses. To summarize I suggest that the government place in the present act a proper formula that will give farmers stability year in and year out, and then take all the necessary steps to see that Canadian agricultural products find their way into the markets of the world, so that we may make our contribution toward feeding mankind.

Mr. Robert Fair (Battle River): Mr. Speaker, we are told that the Right Hon. Winston Churchill a few years ago said that it is just as healthy for a man to change his mind as it is to change his shirt. I am glad that the Minister of Agriculture (Mr. Gardiner) and the government have seen fit to change their opinions with regard to the resolution that was on the order paper last session in connection with the Agricultural Prices Support Act, and which died there. At that time we were afraid that the government was going to do away with this legislation. Perhaps because of the minister's travels throughout Canada he found that the people of Canada, farmers, business people, labouring people and others, were not satisfied to do away with the legislation. I am glad that the resolution we are discussing at the present time is on the order paper and that very soon we shall have a permanent Agricultural Prices Support Act on our statute books.

I am just a little worried that the agricultural industry is again being relegated to a place which it should not occupy, namely, to the position of Cinderella. With the assistance of the government, many other industries seem to be able to take care of themselves. While agriculture was boosted to the skies during the war for the effort it was putting forth at that time, not enough is said at this time about the efforts put forth by the farmers of Canada and of the actual losses they have sustained because of government policy. Because of that, something really worth while should now be done to keep agriculture in a prosperous condition.

In the past few months we have heard leaders of labour organizations advocate that a healthy policy be made effective for the industry of agriculture. These men are finally beginning to realize, as they should have done many years ago, that just as soon as the farmer has not got money labourers will commence to walk the streets, because the farmers cannot buy the products of industry. They are also beginning to realize that the best potential customer the manufacturer and others in Canada have is our own Canadian farming population. I believe that was made clear also to the Canadian Federation of Agriculture at its meeting at Niagara Falls recently by the Minister of Agriculture. I hope that others in high places will soon take cognizance of this fact and do something about it.

Agricultural Prices Support Act

It would appear from an article printed in the Manitoba *Co-operator* of December 8 that many people are dissatisfied with the stand taken in connection with the international commodity clearing house. I have here a number of complaints which I should like to put on record to show that people in many parts of Canada, and engaged in different occupations, are beginning to realize the importance of our industry.

The article reads:

A strangulation of the international commodity clearing house, as proposed by Director-General N. E. Dodd, at the fifth annual conference of the food and agriculture organization in Washington, has brought a flood of strong and vigorous protests. The U.S. State Department and other government representatives from other countries, succeeded in defeating the ICCH plan.

I might point out that Canada is one of the countries which voted against the proposal. Perhaps there were some reasons, but I think those reasons might very well have been overcome. The article continues:

The protests came from organized agriculture, through the international federation of agriculture producers, labour and religious organizations.

The conference backed a substitute proposal providing for a consolidated international committee with no authority and no funds.

The hon. member for Acadia (Mr. Quelch), speaking in the debate on the address in reply to the speech from the throne, dealt with this matter in full detail, pointing out that representatives of the international monetary fund were present when those discussions took place, and that they will be present again when there are other discussions. He pointed out that, as in the past, money will again be made the master rather than the servant of the people.

While this condition is allowed to continue I feel that agriculture and the people of Canada generally will not be permitted to have that degree of justice to which they are entitled. The article continues:

H. H. Hannam, president of the IFAP, and president of the Canadian Federation of Agriculture, spoke on behalf of the farm organizations associated with IFAP.

Murray D. Lincoln, president of the Co-operative League of the U.S.A., took an aggressive part to overcome opposition to ICCH.

Wm. Green, American Federation of Labour president, cabled from London—"Economic interests of the people of all nations will be best promoted through the adoption of such a policy," as outlined by FAO Director-General N. E. Dodd.

Philip Murray, CIO president, said "CIO feels that an extension of principles of aiding the countries of the world to balance their foreign trade would be furthered by the adoption of the principles and concepts of ICCH."

"American farm families are confronted with sharply curtailed incomes as a reward for their productivity, while underfed families elsewhere find it impossible to secure the food they desire . . . It is neither humane nor economically sound to wait for a gradual adjustment in international trade," stated Right Rev. Luigi G. Ligutti, executive secretary of the National Catholic Rural Life Conference, and Rev. W. J. Gibbons, S.J., of the conference's executive committee.

Emil Rieve, president of the textile workers union of America, urged Secretary of Agriculture Brannan to modify the U.S. delegation's position "to prevent an imminent and serious dislocation of American and world agriculture with attendant insane and inhuman destruction of so-called surpluses and restriction of production."

I have pointed out that in the past agriculture has done its full share and that if it is only given some encouragement, it will continue to do so in the future. In this morning's *Citizen* we find an account of the recognition being given Canada, the United States and other nations for the help given to Britain. Britain at the present time is setting up a memorial valued at £2 million so that students from this and other countries may make their homes over there when they are receiving tuition in London. This, I believe, is worth-while recognition, which will be appreciated in many parts of Canada. In some of our daily and weekly papers we have seen articles dealing with agriculture, and suggesting that the prices of agricultural products should be reduced so that the consumers may have a lower cost of living. They do not realize that by doing this they are putting some of the workers out of employment and at the same time lowering the standard of living of farmers all across Canada. Neither do they realize that at the present time the labourer's dollar is buying more food than it ever bought before. As I have said on more than one occasion:

A little learning is a dangerous thing;
Drink deep, or taste not the Pierian spring.

That is why I suggest that they learn something about the other side of the picture. For their information I should like to place on record figures, showing percentages of national income received by farmers over a number of years. This information is taken from *The Budget*, a publication of the Alberta wheat pool which, in turn, gets its information from a recent issue of *The Canadian Banker*. The following table gives the percentages of net farm income of farm operators, as a percentage of net national income:

	per cent
1926	17·0
1927	14·9
1928	14·6
1929	9·5
1930	8·6
1931	4·5
1932	4·2
1933	4·1
1934	6·7
1935	7·6
1936	7·9
1937	8·1
1938	9·3
1939	10·8

	per cent
1940	9·7
1941	8·3
1942	13·0
1943	10·7
1944	12·5
1945	9·9
1946	11·6
1947	11·3

Perhaps I might make some comments on this table, but before doing so may I point out that farmers comprise anywhere from 27½ per cent to 33 per cent of our population. I would direct the attention of hon. members to the figure for 1929, that year when wicked men brought about a man-made depression. Hon. members will notice the difference in the income of farmers in the years following. I remember it well, because at the time I was struggling to pay off some debts I had contracted at a time when the prices of things I had to buy were much higher than they were in 1929 or, indeed, until after two or three years of the last war had been fought.

Turning to the figure for 1933, I would add that at that time the farmers of Canada, as their share of the national income, received an average of $198 per farm. I wonder how that figure compares with the income of others who did not put in half the hours of work or do half the work the farmers did.

Turning to the figure for 1941, it will be noted that after the war had been in progress for about three years the farmers were still receiving almost the same as they had received during the worst of the depression years.

Reference to the figure for 1945 will show that at that time farmers were still down in the depths, so far as the prices received for their commodities were concerned.

As a final comment on this table, may I point out that I have not been able to secure the figures showing the incomes of farmers in 1948 and 1949. Perhaps we shall have to be content to strike an average, as a result of comparison with the other years I have given.

We feel that the Agricultural Prices Support Act is particularly necessary at the present time because I think every hon. member realizes that the costs of the things the farmer has to buy in order to carry on his production are still climbing, while during many months past the prices of some farm products have been going down. We would not be satisfied to have this legislation made permanent unless certain things are done. One thing we feel should be done is to establish parity prices in comparison with the things the farmer has to buy. During recent months I have received, and I expect many other hon. members have also, a deluge of resolutions from the farmers' union of Alberta asking that floor prices be set at the 1949 level. Instead of that I would suggest that parity prices be adopted and in that way we would have a fair level.

I have been a farmer long enough to know just what the farmers are entitled to. We have pointed out on many occasions that in the past the farmers have paid a heavy insurance premium in order to secure parity prices in the future. I was glad to hear the minister read the statement he made in July 1944 when this act was first passed when he said that if the farmers were compelled to take less for their goods during the war period because of quotas and other restrictions the prices support act would be made use of.

As has been pointed out by my colleagues and myself on different occasions, other industries in Canada are being protected. For instance, we have the railroads getting increased freight rates, and they in turn are paying increased wages to their help. The same applies to every other industry across the country. We have a tariff that should have been abolished years ago. We are compelled to pay much higher prices for things we buy because of that tariff. Our manufacturers should be compelled to sell their products on the open market basis as the farmer is compelled to sell his products on markets in other countries.

I do not feel that I should say much more as other speakers are to follow, but I would like to place on the record the Social Credit policy in connection with agriculture. It is a short program and we think it is worthy of the consideration of the government and every hon. member of this house.

1. A home market constantly supplied with purchasing power. Our Canadian population constitutes our greatest potential market. The Canadian people must be supplied with the necessary purchasing power. We have had a lot to say about this during the past 14 or 15 years but apparently it has not got into the minds of some members of the house simply because they will not try to understand.

2. A compensated price discount technique for ensuring fair prices to producers without causing inflation. That has also been fully explained on different occasions.

3. A two-price system to work in conjunction with an international commodity clearing house to guarantee parity returns to farmers. This has been advocated by our members for many years and it would link up pretty well with the ICCH which was recently turned down because—I was going to use a phrase which might be unparliamentary.

An hon. Member: Use it anyway.

Mr. Fair: It was turned down because of the mischief that was worked among the delegates by the representatives of the international monetary fund.

4. The extension of export markets and acceptance of non-convertible sterling as a means of recapturing and retaining British and European markets. This parliament has to accept its share of the responsibility of our present day dollar trouble and the dollar trouble that we will continue to have unless some action is taken by it and other governments.

5. Provincial-dominion marketing boards to serve as a foundation for—

6. A permanent Agricultural Prices Support Act.

As I have stated already, we are not satisfied to have the Agricultural Prices Support Act on our statute books unless it guarantees something worth while. It is true that there is $200 million in the revolving fund but up to the present time very little of that has been used. I understand that the United States has nearly $4,000 million invested in agricultural surpluses and other purchases. I submit that we should not stop at $200 million if further amounts are necessary, because with an impoverished agricultural population the rest of the country cannot be prosperous.

Mr. J. A. Ross (Souris): When the Minister of Agriculture introduced the resolution he said that he had discussed the matter with the opposition groups and there was an undertaking that the passage of this measure would be facilitated, at least through the committee stages. I have some questions which I want to ask in committee, but in view of the debate that has been precipitated there are a few remarks I should like to make at this time.

Mr. Gardiner: Perhaps I may be permitted to explain so that there will be no misunderstanding. The arrangement with the other groups was in connection with the other bill. I did not ask for an undertaking that there would be no discussion at any stage on this bill. I would appreciate it very much if we could get on to the second reading without further delay, but so far as this bill is concerned there was no undertaking.

Mr. Ross (Souris): I appreciate the minister's explanation as I had understood that the understanding applied to both measures. I would point out that the revolving fund provided in 1944 of $200 million is approximately ten per cent of the contribution the Canadian farmers have made since 1942 toward subsidizing the consumers of Great Britain and Canada. As has been pointed out by other speakers, they have a right to claim some legislation of this nature.

The minister quoted from the speech he made in 1944 but I notice that the October issue of the review of agricultural conditions in Canada apparently brought that statement up to date. There is considerable useful information in this issue and perhaps I should read a paragraph or two to indicate the necessity for this type of legislation. I quote:

> In addition to population increases the food situation has also been affected by a growing awareness of the basic importance of food and nutrition in the welfare of all people. At the same time, the emergence of self-government for some populations has fostered an increasing effective demand for adequate diets in countries where diets formerly were not of much moment except to the millions of individuals themselves. Plans and programs for agricultural development and better diets are now an integral part of the policies of most governments. In some, the energetic prosecution of these programs—along with the contribution of favourable weather—has resulted in substantial progress. In others, the plans tend to remain plans and the blueprint has been accepted as the building.
>
> The pattern of agriculture in the world today is shaped by many factors: the food needs of the people, the necessity for better cultural practices, the problem of balancing external accounts and, in some cases, the expediences of international politics. Many devices are employed to develop the production dictated by these factors. These include subsidies, guaranteed prices, bilateral agreements and many others. The degree of this governmental activity varies from country to country. In some, it reaches down to the individual farm, controlling the area of specific crops, the number of each class of livestock, the amounts of food and seed which can be retained on the farm, prices paid and prices received. In others, governments have intervened to the minimum extent thought necessary to protect agricultural economies from the effects of abrupt price changes in the post-war transition period.

I think most farm producers realize what happened in Canada a few months following the publication of that article. It was announced then that we had suffered the loss of certain contracts with the United Kingdom, and a sudden downward trend in the price of bacon and other hog products began. We had a disastrous price fall in eggs. I know of many people who over a period of time had developed splendid flocks of poultry in western Canada, where I am more conversant with these matters, but they had disposed of them before the government tackled the situation. In fact at recent poultry producers' meetings we have had the prediction that, as a result of the failure of the government to take hold of the matter sooner, there will probably be a shortage of eggs next fall. At any rate many of these poultry producers suffered great losses on their investment. There is no doubt about that. According to the bureau of statistics there were in storage at the first of February, 1950, some 25,075,000 pounds of poultry meat. That is about ten million pounds more than a year ago. The

same thing can be said of many more agricultural commodities. There are more eggs and egg products in storage now than there were a year ago, and so it runs all through the picture.

As the previous speaker pointed out, we are not entirely satisfied with this legislation. We admit that something has to be done. As was so well pointed out by the prime minister in 1943, when he was urging farmers to produce to the limit, it was true enough that they were not obtaining the prices that farmers in all other countries of the world were, and the fact would have to be taken into consideration in the years following the war. I have not the quotation before me, but I know that nobody will deny that statement. The Minister of Agriculture (Mr. Gardiner) has himself repeatedly pointed out the same thing, that farmers were then working for less than agricultural producers of other countries and that fact would have to be borne in mind in the years that followed the war. We know that these people have made a great contribution.

I have before me a report of a speech made by the minister at Saskatoon. It can be found in the Winnipeg *Tribune* of March 16 at page 4. The Minister of Agriculture is reported as telling a meeting of the Saskatchewan rural municipalities association that:

> A campaign would be launched "if necessary" to prevent oleomargarine manufacturers producing to the extent that it threatens the 400,000 Canadian dairy farmers.

I have a question that I think the minister should answer concerning this measure because there were stocks of creamery butter amounting to 36,578,000 pounds as of March 1, 1950, compared to stocks of 18,769,000 pounds one year ago. That is double the quantity in storage. If the minister has some type of legislation in mind, or if he is going to be responsible for such a campaign as that indicated in the speech he made to the great convention at Saskatoon, then members of the House of Commons should have more information from the minister about the type of legislation or the campaign that he intends to foster in this important matter.

As for the legislation itself, we believe that a formula should be set forth for arriving at these floor prices. Producers have no idea how they will be arrived at. The formula should be set forth in the act, and the floor prices should be announced well in advance of the production period. We also believe that the formula should be arrived at in consultation with representative producers of the various commodities throughout the country. I am sure that is a very fair request.

I do not want to take any more time at this stage. I should like to ask some questions in committee. I only want to point out now that this party is not satisfied with the measure. We will facilitate it as being partially effective at this time, but it is a long long way short of what we should have now to protect agriculture in Canada. I hope the minister will tell the house what he has in mind as to the form of legislation or the campaign that he will promote on behalf of the 400,000 butter producers in Canada.

Mr. William Bryce (Selkirk): Mr. Speaker, I do not want to delay the house for any length of time, but there are one or two remarks I want to make. I am pleased that the minister has introduced this legislation and that it does not contain any expiry date. I think that is a good thing. I am happy to see that because the resolution is something on which we can base forward prices, which I believe in. I do not know whether the minister believes in forward prices, but I know from conversations with him that he has seen them in operation in different countries. I think we will come to that in Canada sooner or later. I mean by that that when we breed a cow we will know how much we will get for the steer three years hence. The drawback that I have noticed in the operations that have been taking place under the Agricultural Prices Support Act is that prices have always been based on the packers' level. I think the minister should take that into consideration and see if something cannot be done.

I placed one instance before the minister a couple of years ago. It had to do with the time when lambs were selling at about seven or eight cents a pound on the market, and they agreed to pay 10¼, I believe it was. I am not quite sure of my figures. It was a quarter less than the price set by the meat board. That did not help the farmer. It was meant to help him, but it never helped him because the packer just paid what he felt like paying for the lambs, eight or nine cents. Immediately the packer skinned the lambs and hung them up by the heels he received the guaranteed price under the Agricultural Prices Support Act.

Mr. Knowles: Skinned the farmers, too.

Mr. Bryce: And skinned the farmer at the same time. We have had the same thing with hogs. I raised that matter with the parliamentary assistant to the minister the other day. Hogs are based on the packers' level. The packer can get any price he likes for them. He can pay any price he likes for them, and he is sitting pretty all the time. If that is to be the case, then the only thing that will happen is that we will have to set up co-operatives, kill our own hogs, and sell them as bacon. As

long as the hog industry is so definitely in the hands of the packers, then the farmer will be at a great disadvantage.

Those are the things I wanted to bring to the minister's attention. Later, I may have an opportunity of bringing some other matters to his attention, but I thought I would have a better chance of pointing out these things to him now.

Mr. O. L. Jones (Yale): I should like to take a little time to place on the record the condition that now exists in the fruit-growing area of British Columbia. I fully realize that the minister is conscious of that condition, and possibly knows more about it than I do. I should like to place it on the record, however, because I have received a copy of a resolution recently submitted to a convention of fruit growers at Penticton.

As you know, the fruit-growing area of British Columbia is concentrated in the interior, mainly in the Okanagan valley. The other day mention was made of the fact that unemployment in Canada is spasmodic and is in pockets, and one might say that depressed farming communities are also in pockets. I feel that applies to the fruit growing industry; it is a depressed pocket at the moment. Suggestions have been made that we grow less, or that the trees be torn up. I should like to point out that an apple tree takes 15 years to fully mature, or to give its best crop. A fruit farmer cannot change his crops as easily as a wheat farmer, or a chicken farmer. In a fruit growing area there has to be long range planning. For that reason, while there is a surplus at the present time, in five or ten years there may be a shortage of fruit in Canada. We in the valley must look at the long range picture.

Curtailment of planting has been suggested, but this would work a real hardship on the veterans who have recently taken up acreage for fruit growing. Any curtailment of new acreage would definitely strike at the veterans. I am confident that would be the greatest mistake the government could make, to place a barrier against veterans entering the fruit industry. I know that the surplus situation today is serious. It is a question of economics. I am sure a solution can be found.

The other day I was interested in reading a speech by the Hon. Henry Bowman, minister of agriculture in British Columbia, which possibly may bring home the seriousness of the situation to each one of us. It reads as follows:

> We heard a very interesting talk from Norris E. Dodd, director general of the Food and Agricultural Organization of the United Nations. Mr. Dodd had recently returned from a visit to many of the European countries on both sides of the iron curtain. He stated that the world population had increased by 200 million during the last 12 years.

This is the point I should like to draw to your attention.

> Two-thirds of the population were undernourished. In some of the countries he visited, the people were dying in the streets from starvation. In most countries it was considered that some 2,500 to 3,000 calories were required to sustain life. Many of the peoples in the countries visited were getting less than 1,500 calories.

Obviously, then, Mr. Speaker, our problem is one of distribution. I feel it would be a good policy for the government to supply some of these missing calories by sending Canadian wheat, fruit and other foodstuffs, which we have in abundance, to these people. I know it is difficult to do it, especially in view of the dollar shortage in those countries. We in the interior of British Columbia, in my opinion, set an example not only to the government but to our neighbours to the south, when we made a gift of over a million boxes of apples to the British people. Time and again it has been suggested that barter deals be arranged. Small amounts of fruit and vegetables have been bartered efficiently and profitably during the past year or two. I should like to see those barter arrangements extended a little further with the European countries that cannot purchase our fruit in any other way. By doing this, we would be building up good will, and at the same time retaining those markets until the world returns to a state of normalcy. I think we can be proud of the Canadian gift of fruit already made to the world. We can hold our heads high as a nation that has done its Christian duty towards our fellow men.

On the other hand, this afternoon the minister said he would not want surplus foodstuffs dumped in the ocean or in the lake. When he mentioned "the lake" it recalled to my mind our own lake which has, in previous years, received some of these dumped foodstuffs, particularly soft fruits and apples. Our problem is a big one. I should like to place on the record the extent to which the industry has grown in the last few years. Last year, our apple production exceeded 8 million boxes; our crop of cherries was the largest we ever produced, and 520,109 cases were marketed in fresh form; of apricots, we had 603,339 lugs; of peaches, we had over 2 million cases; plums, far in excess of 1948; prunes, 1,023,000 lugs; plus 640 tons of SO_2 cherries which went to the processor. I am not mentioning the grapes, pears and so on, but that is the problem. Last year we had an abundance, and on top of that Ontario, Quebec and the maritimes

had one of the largest crops they have ever grown, of truly fine quality, making the competition rather keen.

We have tried to find markets everywhere. We have emissaries all over the world. I should like to read to you a report made in Penticton early this year by Mr. J. B. Lander, the sales manager of B.C. Tree Fruits Limited. I point this out to show the government that we in the valley have done our utmost to find markets. It reads as follows:

Shipments of boxed apples to off-shore markets in 1948 aggregated 568,245 boxes, distributed in nine countries, of which the most important, in terms of volume, was Brazil.

As I speak to you this afternoon, off-shore sales are practically non-existent, owing in large part to an export subsidy of $1.25 per box on U.S. apple exports. The United States department of agriculture in Washington made this subsidy arrangement effective on the 12th day of October, 1949. This immediately shut off off-shore exports. We had orders from trans-Pacific markets for twenty carloads of apples when the subsidy was announced, and these orders were immediately cancelled. Where this obstacle is not operative, and it only excludes a few countries, such as Venezuela and Cuba, exchange control regulations made no provision for fresh fruit importations from dollar areas. This is the reason we were not able to enter the South African market. Protracted negotiations aimed at working out a barter deal involving an exchange of our apples for Brazilian cocoa butter broke down, when the control authorities of Brazil refused to authorize details acceptable to the suppliers in each country. It would have necessitated our obligating ourselves to sell in Canada a large quantity of cocoa butter, which would have been stored in New York, and we found, after a thorough investigation, that Brazilian cocoa butter was not particularly acceptable to the Canadian chocolate and biscuit manufacturers.

A world-wide canvass through the Canadian trade commissioners' service within recent weeks was not productive of a single encouraging prospect. Our sales off-shore as at January 11 totalled 110,000 boxes to nine separate countries, of which the largest single item is again Brazil. We have shipped 444,500 boxes of apples to the United Kingdom. This figure perhaps could have been included in the off-shore export markets but the deal was really in a different category, as it was an arrangement which was consummated by the British Food Mission with the Canadian government and ourselves.

I could go on quoting the struggle they have had in trying to capture some of the United States market. But they have made a wonderful arrangement whereby a large quantity of apples is being shipped to the United States market. I am merely pointing out to you that genuine efforts have been made to place our fruit without bothering the government. We have advertised this year more than usual in practically every paper of repute across the Dominion of Canada. Again we are handicapped by freight rates in reaching the markets of Quebec and Ontario. But in spite of that our excellent product, as a result of the efficient way in which it is packed, has penetrated even into Ottawa, Montreal and Toronto. I find that last year 27,900 boxes were sold in our new province of Newfoundland.

I could go into the organization of the tree fruit board, but many hon. members realize and know full well that this is possibly the best organized industrial group in the whole Dominion of Canada. With all the handicaps it has had to face over a number of years it has brought remarkable success to an industry that has struggled from a poor start twenty-five years ago. I have pointed out to you how we have searched every avenue for trade and how the competition from the United States apple growers has handicapped our export sales. The subsidy of $1.25 a box by the United States government cannot be overcome by an apple that carries no subsidy as such. This naturally has placed the Canadian grower in a disadvantageous position in the foreign market, particularly the United Kingdom market.

I am going to put before the minister this suggestion. The farmers who have done so much to stabilize their own industry, and then have met conditions which are entirely beyond their control, are deserving of help. I know a formula could be evolved whereby the cost of production could be maintained over a period of years. I am glad to know that this bill extends the life of the prices support act. A period of one year gave no stability to the fruit industry in which, as I pointed out before, the farmer has to look ahead ten, fifteen or twenty years.

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

Mr. Jones: Surely.

Mr. Blackmore: I was wondering if that $1.25 subsidy which the United States government gives applied to apples offered by the United States for export to Canada or only to apples for sale in their own country?

Mr. Jones: I do not think it is on exports to Canada. I think I mentioned an arrangement made between Canadian producers and the United States producers. They work together.

Mr. Blackmore: Will the hon. member permit another question?

Mr. Jones: Yes.

Mr. Blackmore: Do they offer that same subsidy as an export subsidy in order to penetrate other markets such as the European markets?

Mr. Jones: Yes; that is the object of it.

Mr. Blackmore: Thereby competing with Canadian apples?

Mr. Jones: That is right.

Mr. Coldwell: Where is the non-discrimination policy?

Mr. Jones: I mention the matter at the present time—and I know the minister is giving favourable consideration to assistance to the farmers—because I should like the government to declare its policy as early as possible. I say that because the farmer is obliged to expend a great deal of money early in the year. At the present time pruning has to take place and has to be paid for. In a short time, before the buds are actually open, we must spend far more money for spraying this year than we did last year. All these costs the farmer, unless he has a subsidy for last year's crop, will not be able to meet.

I should like to draw to the attention of the minister the resolution which was passed on March 17 of this year. I will read it in part:

> The executive of the British Columbia Fruit Growers' Association has given instructions that the following resolution regarding financial assistance from the dominion government be placed in your hands:

It is addressed to all members of the dominion cabinet and members of parliament from British Columbia. The resolution continues:

> Whereas in 1949 due to a large crop and adverse marketing conditions, the fruit from British Columbia's tree fruit area is being disposed of at a sacrifice price, and
>
> Whereas the recent announcement by B.C. Tree Fruits Limited that it had made a deal with Great Britain to take a considerable quantity of British Columbia apples without charge, and
>
> Whereas this deal will place a very heavy burden on the growers of the British Columbia tree fruits area who cannot afford to carry this load without substantial financial assistance from the dominion government,
>
> Therefore, the British Columbia Fruit Growers' Association, as unanimously represented by its 28 locals comprising 3,805 registered growers, hereby urge that the dominion government subsidize the growers on the total apple crop of British Columbia tree fruits area to an amount equal to the average price of the last three years' prices.

In determining what assistance the farmer should have, the process is simple. We know exactly the average cost of producing a box of apples. As I pointed out before, it may vary from 95 cents to $1.05. It depends on the operation. But from district to district I understand the variation is not more than 10 cents. I plead on behalf of the farmers who today have less than half the cost of production in sight if no subsidy is given. On their behalf I plead that the government give assistance to the extent of the cost of production, in order to keep a flourishing industry prospering in a prosperous valley and to keep 120,000 people living in one of the finest communities in Canada, which could easily be wrecked by failure of the government to come through to their assistance at this time. The situation may not occur again; we hope it will not. But the conditions were beyond their control and they are appealing to you on that basis.

Mr. Victor Quelch (Acadia): I am glad, Mr. Speaker, to have this opportunity of speaking in support of a resolution to extend the life of the Agricultural Prices Support Act on an indefinite basis. I feel a good deal easier about this resolution than I did about the one which appeared on the order paper last year and which would have limited the life of the Agricultural Prices Support Act to the end of this parliament. However, whilst the passage of this legislation will enable the government to keep faith with the farmers of Canada, on the other hand it does not guarantee that they will do so. In other words, legislation of this kind is of little value to the farmers unless it is actually utilized.

That remark is prompted of course by what took place in Canada in December of last year and January of this year, when the price of certain agricultural products took a drastic drop. For example, it may be remembered that the price of poultry products dropped to depression levels and it took a matter of a month or more before the government took action to correct the situation. I think one of the main reasons why the government took that action was probably the storm of protest that swept Ontario. I certainly must say that I think the remarks made by the parliamentary assistant to the Minister of Agriculture (Mr. McCubbin) at that time were unwise because they undoubtedly gave the impression that he was advocating that the government should break faith with the farmers. I am not saying that was his intention, but that certainly was the interpretation which was placed by many farm organizations upon that statement of his.

Let us make no mistake with regard to the responsibility of the government to support farm prices at a level that will bear a fair relationship to the price of other commodities, because, as the Minister of Agriculture has already said, during the latter years of the war the farmers were asked to take less for their produce than they might otherwise have obtained. They were asked to do that in the name of stabilization and therefore this legislation is for the purpose of carrying out a government obligation to bring about or to maintain the stabilization of agricultural prices in the post-war period.

I am not going to say what the losses were that were suffered by the farmers during those years. I notice that a number of hon.

members on the other side have criticized figures that have been used by hon. members on this side of the house. Hon. members have emphasized the fact that different figures have been used. Of course different figures have been used because they were being used in regard to different commodities. The figure of half a billion dollars has been used in regard to the losses on wheat—it may be more or it may be less—but generally speaking they are based on the figures that were tabled in the house by the government. Then the figure of a billion dollars or more has been given in relation to all agricultural produce. I am not going to attempt to say whether that figure is too high or too low, but it was given in regard to all agricultural produce, and not in regard to wheat alone. I look upon these losses which resulted from agriculture subsidizing the Canadian consumer as a fund which should now be held in trust by the government for the purpose of subsidizing or stabilizing agricultural prices in the future. I feel that agriculture now definitely has a large credit with the government as the result of having subsidized the consumer during those war years.

The minister referred to the $200 million fund under the Agricultural Prices Support Act as a revolving fund. I do not think we should be under any delusion in regard to that matter because no doubt there will be times when considerable costs will be incurred to carry out the obligations under this act. In his speech the minister said that there may be times when goods bought under this act will have to be sold at a loss. Personally I do not think there is any doubt about that. At times these losses may be severe, but I doubt very much whether they will be anything near as great as the losses that were suffered by the farmers as the result of the government's stabilization program during the war. Therefore the farmers will not be asking the people to put up any money that the farmers have not already put up themselves during that war stabilization program.

After all, when we stabilize agricultural prices we are not merely helping the farmers out; we are helping the people of Canada out as well, because we cannot have an efficient agriculture unless we have parity prices. Unless we maintain agriculture on an efficient basis we cannot hope to maintain agricultural production at a high level, and it is in the interests of the people of Canada, and the people of the world at large, that agricultural production should be maintained at a very high level.

I have noticed in the press recently what I would call mischievous articles regarding price support. It is unfortunate that articles of this kind should appear, because they may help to undermine public opinion, and if you undermine public opinion on this matter it makes it that much more difficult for the government to carry out policies that agriculture has a right to expect. I want to quote one of these press articles which appeared in the *Financial Times* of February 17 under the byline of "Tempus". It reads as follows:

> Incidentally, while we are putting ceilings on this and floors under that, I would like to see one politician who has guts enough to get up and ask: what about the poor old consumers?

Then he goes on:

> If we took out the subsidy structure from foods, I often wonder where we'd land. Maybe the consumer would get a break; a thought, apparently, often repugnant to the government.

Let me say that no group in this house has given greater consideration to the needs of the consumer than has this group. On the other hand, let us not forget that, as the Minister of Agriculture said, 60 per cent of consumers are either directly engaged in agriculture, or in some way directly connected with it. Therefore a very large percentage of the consumers are interested in agriculture and are affected considerably by agricultural policy. There are no truer words spoken than that the prosperity of Canada depends to a very large degree upon the prosperity of the farmer. Tempus suggests that if we drop price support the consumer will get a break. I recall that back in the thirties there was no price support on agricultural produce. The bottom dropped right out. The price of butter fell down to 8 cents a pound, eggs to 5 cents a dozen, wheat 19½ cents a bushel, oats 5 cents a bushel. You could not have the price of agricultural produce very much lower than it was at that time. I ask this question. Did the consumer get a break at that time as a result of these low prices? I would say definitely that the consumer went broke because in many instances he was not able to buy even at those reduced prices. Especially do we remember that during that period we had a million people on relief, over half a million unemployed, and many people with very low income. Therefore as a result of agricultural prices falling to that low level the whole Canadian economy was badly wrecked. When Tempus suggests that we might give the consumer a break by letting agricultural prices fall, I would say history proves the contrary to be the truth. When agricultural prices have been high the people of Canada as a whole have been prosperous, and have been in a position to pay those high prices.

I think it is well to remember that secondary industries set their prices at a level

to recover costs and profit. All that agriculture is asking today is that its prices should be allowed to bear a fair relationship to the prices of the secondary industries.

The question is often raised as to whether or not farm prices are too high at the present time. We often see suggestions made that they are too high, and no doubt in good faith many housewives feel that they have to pay too much for farm produce. Therefore I want to quote from a brief presented by the federation of agriculture to the cabinet showing the relationship between farm prices and the general purchasing power. I quote from page 5 of the brief:

> The general purchasing power in the domestic market is at an all-time high, and there is no legitimate reason why farmers should be compelled at this time to sell at reduced prices in the domestic market.
>
> Using figures provided by the dominion bureau of statistics and the Department of Labour, we find that during 1949 food prices were not high in relation to other prices and to incomes. Based on an average of the existing wage rates in eight leading Canadian industries we find that, with the exception of the depression years of the thirties, one hour's wages would buy more cheese, more eggs, more bacon, in 1949 than at any time since 1913. Speaking of cheese alone, one hour's wages in 1949 would buy 42 per cent more cheese than in 1925-29. Similarly one hour's wages would buy 16 per cent more bacon and 6 per cent more eggs in 1949 than in the 1925-29 period. This indicates that general purchasing power during 1949 was equally high or higher than price levels for farm food products.

It is well to keep these figures in mind when you hear people suggesting that the price of farm produce is too high. Yet we find today that agricultural prices are falling while, at the same time, farm production costs are continuing to rise. We see one rise in freight rates after another. The cost of machinery is still going up, chiefly as a result of devaluation. Last fall the price of farm tractors—and I am thinking particularly of one make of tractor—increased by $185.

Labour in various parts of Canada is considering it necessary to ask for increased wages, which result in still further increases in the prices of the commodities they are producing. There is therefore no justification for the suggestion that the prices of agricultural products in Canada are too high at the present time.

I recall hearing the Minister of Agriculture (Mr. Gardiner) say at the convention of the Canadian Federation of Agriculture at Niagara Falls that the Agricultural Prices Support Act was no alternative to markets, and that the prices support act could stabilize prices only where surpluses were small. That being so, I am sure the minister would be the first to admit that there should not be any problem in stabilizing prices today, because he has stated in the house that our surpluses are very small. He said in particular that we had only small surpluses of butter, cheese and honey. That being so, there should be no difficulty in the stabilization of agricultural prices, if that should become necessary.

Speaking about markets, it is well understood that we have two, namely the home market and the export market. The maintenance of both is the responsibility of the federal government. In connection with the home market it is the responsibility of the federal government to take steps to maintain the purchasing power of the people at a level which will make it possible for them to buy the production of the country, or that of other countries for which our products may be exchanged.

With respect to the export market, it is the responsibility of the government to maintain a realistic trade policy under which it will be possible to exchange our goods for those of other nations. There is no doubt that the home market in Canada today could be greatly expanded. I have been glad on several occasions to hear the Minister of Agriculture say that our surpluses have been reduced as a result of an expanding home market because, in my opinion, the home market is the one which should have preference over any other market at all times. If our surpluses are reduced as a result of expanding consumption there is nothing to worry about. On the other hand, when our surpluses are reduced as the result of a reduction in production, then we have an unhealthy situation.

In dealing with the home market the government should give consideration to the proposals made last year by the Canadian Federation of Agriculture in their brief. Special consideration should be given to the proposals put forward from time to time by Professor Hope, economic adviser to that organization. May I quote briefly from a speech he delivered before the convention of the federation at Niagara Falls. The *Rural Co-operator* in its issue of February 14 quotes him as follows:

> "The timid and cautious way the government has handled price supports in the past month," said Dr. Hope, "leads the farmer to believe that the policy seems to be based on a desire to protect the $200,000,000 fund to the utmost.
>
> "The government appears to be fearful of holding a surplus and taking a loss on it. We may as well face the facts: price support action is bound to result in some cost, otherwise there would be no need for supports.
>
> "Some will say that if there is no market the government should take off the market produce it cannot sell. A year ago at Saskatoon I said Canada needed a domestic surplus food disposal plan to channel surplus foods into the hands of low-income consumers.
>
> "I repeat that statement today," said Dr. Hope. "We cannot dump the food overseas—there would be immediate repercussions from other countries.

But we have a large potential market in Canada of low-income people. We must tap that market by special measures.

Then the federation of agriculture referred to the food allotment proposals being put forward in the United States. Consideration should be given to the Brannan plan, which has received a good deal of publicity. It is true that the farm bureau in the United States did oppose that plan, although a Gallup poll discloses that a majority of farmers in that country were behind it.

In my view the chief objection to the Brannan plan—and I believe this is the one that was raised by the farm bureau—is that under that proposal the prices of farm products would be allowed to fall, thereby increasing consumption. The farmers would then be paid a price to make up the difference between the prices at which agricultural products sold and what was considered to be a parity price. The objection of the bureau was that the claim would be made that farmers were being subsidized to that extent. It wanted the prices of agricultural products to be maintained at parity level, and then to have the general consumer subsidized so that he could buy those products at reduced prices.

If any subsidizing is to be done, then it is the latter plan which I believe would be the better one, namely that of first of all trying to maintain agricultural products at fair prices, and then to subsidize Canadian consumers to buy those products at whatever prices may be considered advisable.

With respect to export markets I would repeat what I have said before in the house, that the condition of those markets is due to the policies of this government and policies followed by the United States under certain international agreements passed in 1945. Those agreements made international trade a financial problem rather than a problem of exchanging goods and services for goods and services.

Our stand has always been that the true function of international trade is the exchange of goods and services between nations on a basis of mutual advantage, instead of following the policy this government has followed consistently since 1945, of trying to make our sale of goods to Europe dependent upon their being able to pay us in dollars.

May I at this point congratulate the Minister of Fisheries (Mr. Mayhew) upon what I thought was a progressive and realistic speech delivered in the house on the question of marketing our exports. Apparently his speech did not meet with favour among the rest of the cabinet. I believe his proposal was a logical one. Evidently he had reached his conclusions after visiting a number of countries. It was his view that if we could set up a body of men to trade our surplus goods for the surplus goods of other nations we would in that way be able to overcome our trade difficulties. That is what we in this group have been proposing ever since 1944. Therefore I was disappointed when I found that the Minister of Agriculture had turned down the proposal for an international commodity clearing house, when it was placed before the FAO conference recently. He stated that while he supported the underlying principle, he felt that what was proposed under the international commodity clearing house could be accomplished individually by Canada. Therefore it did not receive his support.

In view of the fact that the government did turn down the international commodity clearing house on this ground, I think there will be no justification in the future for the federal government saying that they have a surplus problem. They had a chance to support an organization that would have taken care of surpluses, but they turned it down on the ground that they could take care of those surpluses themselves. I hope we shall not hear anything more in the future about the government not being able to dispose of our surplus products.

When the Minister of Agriculture says that the Agricultural Prices Support Act is not an alternative to the securing of markets, then he should keep in mind the fact that the job of securing markets is the responsibility of the government. In the meantime if there are surpluses the Agricultural Prices Support Act will provide the means whereby our farmers will receive fair prices for those commodities. The ideal set-up for dealing with the marketing of our agricultural products would be a federal marketing board backed up by the Agricultural Prices Support Act and working in full co-operation with provincial boards in disposing of surpluses by means of consumer subsidies in the home market and by trading with other nations to exchange surpluses through bodies such as the ICCH or by methods similar to the one suggested by the Minister of Fisheries (Mr. Mayhew). The government have made it quite clear that they do not like these bodies so it is up to them to bring down proposals that will deal with these matters satisfactorily.

However, one thing should be kept in mind. The world today requires that the production of agricultural produce be maintained at a high level. We have been assured by scientists and by the director of FAO that the population of the world is increasing more rapidly than the production of food. Unless there is to be wholesale starvation in the world it is absolutely essential that we do

everything in our power to maintain the production of agricultural produce at a high level. The Minister of Agriculture referred to a statement he had made in 1944 when he said that they would not agree to the destruction of food. While we agree with that entirely, if the government's policies are such that the production of food is curtailed, then I submit they will be just as vicious as though food were to be destroyed. There can be no justification for the curtailing of food production while there are hungry people in the world.

Mr. L. E. Cardiff (Huron North): Mr. Speaker, I intend to support the bill but there are a few things I should like to say. Considering the money our Canadian farmers lost during the war they are entitled to at least a similar amount of support. We must not forget that the government sold our farmers short in the world markets and you are only giving them back what is rightfully theirs. A lot has been said already and I shall not repeat it. The hon. member for Assiniboia (Mr. Argue) said many things that I intended to say and again I shall not repeat. His troubles are not the same as mine because conditions in the different provinces vary.

The other day I read a press dispatch in which the minister was reported to have said that he was blaming oleomargarine for the present surplus of butter. I am glad he admits that, because everyone knows the government is responsible for the mess the dairy industry is in. If the provisions of this act are properly applied the dairy industry can be given the support it needs and should have if it is going to continue to operate. That industry was getting along fairly well before oleomargarine came into the picture. I am not arguing that oleomargarine should not be offered to the people but I do contend that the mark-up should not be greater than that on butter. If it were not so great there would not be so much oleomargarine sold. It will not take the place of butter except in the case of people who feel they cannot afford to buy butter at the price it is.

I should like to say a word on tariffs. We do not object to tariffs on certain goods in order to protect our manufacturers, but what difference is there between a tariff and a floor under agricultural prices? I cannot see any myself. If our manufacturers are entitled to protection our agriculturists are just as much entitled to a floor under their prices.

I think the government failed miserably when they permitted the price of eggs to stay where it was for so long. A number of flocks were disposed of and many people went out of hens when they really could not afford to. They were placed in a most precarious position because the government did not take action soon enough. There was $200 million behind this legislation and the government could have stepped in to support the egg market much sooner than they did.

I feel sorry for the veteran who has just started farming. The well-established farmer may be able to stand a drop in prices but the man who has just started up with very little is in an entirely different position when the prices of farm commodities come down. I hope that some support will be given to these men. Many veterans have gone into farming during the past five or six years and they have made good farmers. Many of them had very little to start with and if it had not been for their parents or good neighbours they would not have been able to start at all. Because of the small allowance they had many could not afford to buy sufficient machinery, and now when prices are below the cost of production they are in a serious position.

I may have more to say when the bill is before us, but I have nothing more to say at the moment.

Mr. P. E. Wright (Melfort): Mr. Speaker, along with other members who have taken part in this debate I am in agreement that these acts must be continued as the minister is proposing to do under the legislation which he has introduced today. We are not satisfied, however, that the mere extension of them will be enough to meet the problems of agriculture in this country at this time. I should like to deal for a short time with the Agricultural Products Act, the resolution concerning which we passed a short time ago as a result of which the bill was introduced and given first reading. Under that act as extended from year to year we have carried on our exports of agricultural products to Great Britain since 1947, and we are proposing to extend it for a further period of one year.

I was convinced at the time it was first introduced that there should have been more permanency to it than there was, that it should not have been an act which we had to extend from year to year. I felt that if we were going to continue to maintain our markets in Great Britain we would have to have a more permanent form of legislation under which they could be maintained. That was not the only reason we lost our British markets, but it was one reason. There were very few of us who expected, as a matter of fact, that we could retain our market in England to the extent that we had enjoyed it during the war years, especially during 1944 and 1945. We did expect, however, that we would be able to retain a fairly large portion of it, and at least a larger portion than we had

enjoyed during the years prior to the war. That was a natural expectation on the part of the farmers of Canada, but it has not worked out that way.

Today our markets for farm products in Great Britain are at a lower ebb than they have been for some time, and are likely to fall lower. Just recently a report appeared in the press stating that the United States congress was proposing to use $1 billion of ERP funds for the purpose of selling United States agricultural products to Great Britain, western Europe and mid-eastern countries during the coming year. If in this way the United States during the coming year markets $1 billion worth of its surplus food products the outlook for Canadian farm products in those markets does not look very hopeful. That is why I think the government made a mistake in 1947 in not having some permanent legislation whereby they could have entered the British market on a long-term basis. If they had done so I am convinced that we could have secured a far larger portion of that market than we have. If the government had been prepared in 1947 to enter into negotiations on an exchange basis with Great Britain, accepting certain goods from her in exchange for our agricultural products, I am convinced we could have had long term agreements with them for the sale of cheese, bacon, apples and other products. Having failed to do that we found that these markets were disappearing, that countries in Europe such as Poland, Holland and Denmark, as well as commonwealth countries, were able to secure the British market. Today we find ourselves in the position that we have surpluses accumulating in Canada. Not only that; when officials from Great Britain came here to negotiate contracts with us I do not think the government used the right approach in meeting those negotiators.

Last year, for instance, about the time that the British food purchasing mission was in Canada, the Minister of Agriculture (Mr. Gardiner) made an address to a board of trade dinner in Brantford, Ontario. In the Ottawa *Citizen* of December 6, 1949, I find the following:

> . . . he recalled that prior to the second world war, Canada was Britain's chief source of wheat and apples, and also supplied considerable quantities of pork, cheese, beef and other foods. During the war Canada became Britain's chief supplier of pork, eggs and cheese, and also shipped large amounts of beef and milk.
>
> "During the last two years", he said, "a very decided official effort has been made to drive every one of these products excepting wheat off the British market. And now that the four year wheat contract is drawing to a close an effort is being made to drive off a considerable part of our wheat as well."

Later on he stated:

> "I am a free trader and advocate the freest possible exchange of farm products for the necessities required on the farm. But when one is convinced that the other party to the trade has made up his mind he is not going to buy anything from us that he can avoid buying, free exchange is impossible."

I would say that is not a very diplomatic statement to make while negotiators are in this country—

Mr. Gardiner: They were not; they had gone home.

Mr. Wright: —endeavouring to negotiate contracts for our food. If the minister was consistent in his statements it would not be so bad, but a short time before that, speaking in Alliston, Ontario, he told a different story. He stated then:

> "In any conversations I have had with Sir Stafford Cripps and Right Hon. John Strachey, food minister, I have never gathered the impression they were not prepared to take all the products they could afford to pay for from Canada. I am satisfied that they will."

The article goes on to state:

> In an earlier speech in Ottawa, the agriculture minister said in his opinion "the view that Canada is to be depended on for supplies of food only during the war is rather hard on Canadian agriculture." He added that he did not believe that this was the view of a great many people in Britain.

Certainly those two statements do not jibe.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Wright: When the house rose at six o'clock I was pointing out that I did not think the approach of this government to the British government in renewing our food contracts with Great Britain had been very diplomatic. I do not think, however, that was the main reason why we were unable to renew many of these contracts, and to obtain the prices we would have liked to obtain. There is no doubt in my mind that the main reason for this was the lack of dollars on the part of the British government with which to purchase our products. I feel equally sure that had we, in 1947, been prepared to make bilateral agreements with Britain with respect to our marketable surplus, under which we would have accepted British goods in exchange for our food, we would have been able to make agreements similar to those which Britain has made with many other countries.

That was not the policy of the government at that time, however, nor have they changed their policy since. The result has been that we have practically lost the British market,

except for about three basic products, wheat, cheese and some bacon. We may lose the market for cheese and bacon in another year if, as I stated, the United States is prepared to make ECA dollars available to western Europe and other countries, with which to purchase surplus food supplies in the United States. Having lost these markets, the minister is seeking to renew this Agricultural Products Act for one year. The purpose of that must be simply to finish out the present British contract which we have, and then allow the farmers themselves or the producer boards, under the Agricultural Products Marketing Act which was introduced last year, to try to win back those markets in Great Britain. I do not think that is good enough. I think this Agricultural Products Act, which we are renewing today for one year, should have been made a permanent piece of legislation. Under it, this government could set up export boards to export our surplus agricultural products.

I am quite convinced that no producer boards, set up under the Agricultural Products Marketing Act, are going to be able to win back those markets. Look at what they are up against. In the first place, they have no control over our exchange. They have no control over tariffs on goods coming into this country. They have no control over the availability of dollars. It is only the government that has those controls and can win back those markets in Great Britain.

In the Agricultural Products Marketing Act, which was passed last year, and which will give the producer boards the power to go into the export market, clause 2 provides:

> The governor in council may by order grant authority to any board or agency authorized under the law of any province to exercise powers of regulation in relation to the marketing of any agricultural product locally within the province, to regulate the marketing of such agricultural product outside the province in interprovincial and export trade and for such purposes to exercise all or any powers like the powers exercisable by such board or agency in relation to the marketing of such agricultural product locally within the province.

Then clause 3 reads as follows:

> The governor in council may make regulations prescribing the terms and conditions governing the granting and revocation of authority under section 2 and generally may make regulations for carrying the purposes and provisions of this act into effect.

Now, I should like to ask the Minister of Agriculture what regulations there are under this act. I think he should tell us what the regulations are under the Agricultural Products Marketing Act, so the provinces or producer boards which are set up will know what specifications or regulations they have to meet. Until that is known, it is going to be rather difficult for any group of farmers to set up a board to market their products, or to go into the export market.

Mr. Gardiner: That was discussed fully at the meeting the day before yesterday with the provinces and the federation.

Mr. Wright: Did the minister tell the people who were gathered there what the regulations were under this act?

Mr. Gardiner: I said there were not any.

Mr. Wright: That is just what I expected, there are not any. As a matter of fact, it is just a blank act which means nothing until the regulations are passed.

Mr. Gardiner: The model act was presented to us by the federation of agriculture. I assume that the section which is being quoted is in the act for the same reason as it is in many other acts having to do with the Department of Agriculture. This house would not give me, as minister, the authority. I was told I had to get the authority from council to do those things.

Mr. Wright: When I look over and see the members of council on the government side today, there are about 9 lawyers and there is one—I do not know whether you would call him a farmer—whose occupation, one among many, is that of a farmer. He was a school teacher and then a farmer, but he is the only man in the cabinet who understands the agricultural situation. I suppose the cabinet will naturally have to take his advice when they are passing regulations under this act.

Mr. Gardiner: The opposition have always said that they did not want to give me that authority. They have said that I should have the authority with the other 20 men in the cabinet, and I agree with them.

Mr. Wright: According to the statute, the minister has taken it.

Mr. Gardiner: No, I have not.

Mr. Wright: Yes, the minister has. He is the only member of the cabinet who knows the agricultural situation across the dominion. I do not see how the cabinet could do other than accept his recommendation concerning the regulations under this act. I do not think that is good enough. What agriculture wants at this time is something permanent; something which will enable the farmers to know what the situation is. There should be some act under which the farmers could make long-term agreements to take care of our surplus agricultural products. There should be some forward pricing system in this country, by means of which the farmers would have some idea of approximately what they

are going to get for their products in the years ahead. Floor prices should be put under these products which would be effective for more than one year.

All we have been doing under our Agricultural Prices Support Act up to the moment is waiting until some agricultural product has reached a level where the farmers are raising such a row the government has to do something about it. Then, floor prices are set. We do not set floor prices at the level the minister suggested he thought those prices should be set in the statement he read to the house today. He stated that, in setting agricultural prices under the Agricultural Prices Support Act, he would take into consideration the fact that for ten years in the thirties our farmers had accepted prices which were below the cost of production. He stated that he would take into consideration the mortgage indebtedness of the farmers, the deplorable condition of their equipment, and the prices which farmers had received during the first three years of the war when they had accepted prices which were below those which other sectors of our economy were receiving for their labour and for their products which they had to sell.

Mr. Gardiner: The last three years of the war, not the first.

Mr. Wright: During the first three years of the war, from 1939 to 1942, the farmers were still receiving prices which were away below the cost of production. Wheat, for instance, was selling at 60 cents a bushel, and less than that on the farm, until 1943, I believe it was, before the price was raised. The minister stated that consideration would be given to the farmer's cost of production.

I am sure that in setting the floor price for eggs at 38 cents a dozen the minister has not taken these things into consideration; and in setting the price that was set for potatoes down in Prince Edward Island and New Brunswick a year ago, I do not think that all of those factors were taken into consideration, or the floor prices would have been better than they were for those products. I know that there are difficulties. I know that, if floor prices are set too high, overproduction may result and surpluses may accumulate in this country. But I am convinced that, along with floor prices on products which are especially for Canadian consumption and Canadian marketing, there must be some regulation of production. I think the farmers can do that themselves through their Agricultural Products Act. But when it comes to the surplus of basic products which go into the export market, I think the government must and should accept responsibility for them. If they do not, and if we allow agricultural prices to drop even 25 per cent in this country, I am convinced that the unemployment problem will be multiplied three or four times. Instead of having 400,000 people out of employment, we shall have a million people out of employment in Canada.

Last year, in 1949, the farmers of this country spent over $200 million for new equipment. I know that in my own constituency alone the agricultural implement dealers figure that last year they sold $8 million worth of agricultural equipment. A drop in the price of agricultural products will mean that there will be a drop of from 50 per cent to 75 per cent in the sales of agricultural machinery. Make no mistake about it, our farmers today have some equipment on their farms; and if prices drop they can get along with simply buying repairs for that machinery and will practically stop buying new equipment. If that event takes place, those in eastern Canada here will find that their unemployment problem will be something that will remind them of the 1930's again.

I would therefore say to the government that, in renewing this Agricultural Products Act, they should make it permanent. As a matter of fact, if we could have moved an amendment that would have been in order we would have moved one which would have made it a permanent piece of the legislation of this country under which the government could set up export boards for the surplus agricultural products. I would urge the government that, instead of renewing it for one year, they should bring in permanent legislation in this country to take care of our export surpluses.

With respect to the Agricultural Prices Support Act, I hope the minister will give us his interpretation of certain clauses of this act. Section 9 (2) states:

> In prescribing prices under paragraphs (a) and (c) of subsection one of this section, the board shall endeavour to ensure adequate and stable returns for agriculture by promoting orderly adjustment from war to peace conditions and shall endeavour to secure a fair relationship between the returns from agriculture and those from other occupations.

I think the least that the government can do in renewing this act is to place in it some clause by means of which the farming industry of this country will know the formula or the method the government is going to use in determining those prices. When the resolution is in committee I hope the minister will give us that information; because unless we have that information we are going to find that those engaged in the agricultural industry of this country are not going to be satisfied by the action of the government in

simply renewing these acts without any assurance as to what action the government is going to take under them.

Mr. H. H. Hatfield (Victoria-Carleton): I am pleased, Mr. Speaker, that the minister is renewing this act. He gave a glowing account of it when he introduced it in the house in July, 1944. I should like to read some of his statements. As reported at page 5581 of *Hansard* of that year the minister, in introducing the act, quoted the views of a Liberal convention as follows:

We advocate a policy under which Canada will provide security for farmers and fishermen by safeguarding against inflation now and by guaranteeing minimum prices for their products against collapse of prices after the war.

Then he quoted a speech he made at London, Ontario, on October 15.

Speaking at London, Ontario, on October 15, I made this statement as Minister of Agriculture when speaking to a group of people, representatives of agriculture in that area, got together by the Kiwanis club, as reported in the Windsor *Star* of October 16:

"In placing ceilings upon products, with limited subsidies now, the government is assuming responsibility to maintain floors until this country is re-established after the war. The government owes this to the farmers who have maintained production under ceilings, and also owes it to the men and women who will return from the services to the farms."

Then he continued:

On December 2, 1943, the Prime Minister (Hon. Mr. Mackenzie King), speaking over the radio said: "As an essential part of its post-war policy the government intends to ask parliament, at the next session, to place a floor under the prices of the main farm products."

In the speech from the throne this statement was made:

To ensure economic stability for agriculture, you will be asked to make provision for a price floor for staple farm products.

Speaking to the house on the bill which set up the act, the minister said it would include all farm products except wheat. He was asked numerous questions at that time and, as reported at page 5612 of *Hansard* of 1944, he said:

I am asked, what will they do with all that surplus, will they get rid of it? I can assure hon. members that if I am minister charged with the task, there will not be any of it that will be burned or dumped into the ocean or into the lake. One thing has been demonstrated to us during the war, and as a matter of fact we have always known it. We have always known that there are areas in the world where there are famines from time to time . . . I am not worrying about finding some place where we can put the surplus food of a country that has only twelve million people in it to start with.

Then after the dinner recess:

Before the dinner recess I was dealing with some of the points that were suggested by hon. members opposite, particularly the questions raised by the hon. member for Lake Centre (Mr. Diefenbaker) and the hon. member for Lethbridge (Mr. Blackmore). Perhaps I can best sum up the answers I should like to give to those questions by saying that it would not be fair to the farmers of Canada to do certain things in the transition period.

First, I should say it would not be fair to order them, immediately the war is over, to reduce production to the level at which it is certain the commodities could be sold at a given price. I was asked what we were going to do, provided that we had great surpluses, and I call attention to what I have just stated as an answer to that question, and to repeat what I said just before the dinner recess. During this war period we have been asked to increase production to the limit in order to provide food to those of our allies who require it, as well as to our own people. I repeat that it would be unfair to the farmers, immediately the war is over, to say they must reduce their production to the point where everything they produce can be disposed of at a given price. And I would state that this bill contains provision for dealing with a situation where a given price is essential for uncontrolled production during the transition period.

Then I should say it would be unfair to the farmer immediately to require him to sell at the cost of production.

When the bill was introduced the minister said that he would not allow any farm product to go down to the cost of production. He assured the farmers of this country that so long as he was Minister of Agriculture they would receive prices above the cost of production. That principle has not been carried out.

I am disappointed in the regulations made under the act on the statute books. They do not look anything like the bill which the minister introduced in the house, and they have not been used in the way that the minister said they would be used when he introduced the bill, as will be found in his speeches in *Hansard*. He said that he would set up a board, and that the duty of the board would be to deal with the prices of agricultural products across Canada, except wheat, at any time that the price went below the cost of production. When that happened the board was supposed to step in and put on a floor price above the cost of production. That board has not done its duty as laid down by the minister in the speech he made when he introduced the bill. Every time that we asked for a floor price, or a support price, on potatoes a number of delegations had to come to Ottawa to see the minister, and we had to get support from the other provinces to persuade the minister to put a support price under potatoes.

I was surprised to read in the Saint John *Telegraph-Journal* of March 21 that Mr. Duffie had advised a meeting of 200 potato growers at Grand Falls to form a co-operative. I quote from the article:

The decision followed a report by T. E. Duffie on conferences in Ottawa early this month with

Right Hon. James Gardiner, Minister of Agriculture, and J. G. Taggart, head of the agricultural prices support board. Mr. Duffie reviewed the provisions of the Agricultural Prices Support Act of 1944.

Mr. Duffie quoted Mr. Gardiner as saying that he was promised a year ago that the potato growers would attempt co-operation under such a system and that he still based future aid to the growers on this assumption.

As explained by Mr. Duffie, the co-operative would enter into contracts with individual growers at planting time to purchase their potatoes at a set price. The co-operative would also enter into a contract with the federal government providing for what amounts to a floor price for the potatoes sold by the members to the co-operative. The co-operative would also set up a selling agency, which could be an existing organization, a new organization or a provincial marketing board.

The grower would know at planting time what the minimum price would be for his crop and could get advances on his crop. The government would determine the minimum price, in consultation with the co-operative organization, and the minimum would not exceed 80 per cent of the previous three years' sale price.

The government would pay to the co-operative any loss due to poor markets and would also pay the actual processing, carrying and selling costs, up to a maximum set in advance.

What is suggested in this quotation sounds like something that has never been done before. I would like to know from the minister whether he told Mr. Duffie when he was here in conference with him that a co-operative would be set up which would tell the farmers what they would receive for their potatoes, or any other commodities, before they were planted.

Mr. Gardiner: That is not what Mr. Duffie said. He is simply quoting the co-operative act of 1939, which is not this act at all. Everything the hon. member has read is in the act of 1939.

Mr. Hatfield: The act of 1939?

Mr. Gardiner: Yes.

Mr. Hatfield: The co-operative is being set up under that act, is it?

Mr. Gardiner: Co-operatives have been set up across Canada under that act. Furs in Prince Edward Island and in other provinces are sold under that act.

Mr. Hatfield: I have never known of a co-operative under the government's program telling the farmer what he would receive for his products before they were produced. I have never known of any action such as that being carried out except in regard to wheat.

Mr. Gardiner: The hon. member was here when it was passed.

Mr. Hatfield: That would be a very good act for the farmers. They would be glad to have an act like that. If you promised them a certain price before they plant their potatoes they would be pleased. That is what Mr. Duffie explained to the potato growers at Grand Falls. He made the explanation after a conference with the minister. However, the potato support which was given in New Brunswick and Prince Edward Island last year was not carried out that way. We did not receive the benefit of the support program until away on in March or April, and the needy farmers, and the veterans who had returned from the war and who took up farming under the Veterans' Land Act, had to sell their potatoes before the support program went into effect, and they sold them below the cost of production.

As I said before, the regulations do not work in the way they were intended and the board that has been set up has not done anything since it was set up, as far as I know. We have always had to come here and appeal. Every organization has had to appeal to the minister, or to the department, to carry out the provisions of the support act; whereas in the house it was said that the board would study everything, and as soon as any farm product got down to near the cost of production the board would act. That is the kind of support act I thought we were getting in 1944.

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to say a word or two, particularly because of the interchange that took place a few moments ago. I remember the passing of the co-operative act of 1939. Speaking from memory, I believe that under that act the government could guarantee up to 90 per cent of the average price of the previous three years.

Mr. Gardiner: Up to 80 per cent, as Mr. Duffie said.

Mr. Coldwell: I thought it was 90 per cent. The joker about that is that it has never been guaranteed up to that amount. The guarantee has been up to 50 per cent, perhaps, but not to the extent that the act would make it attractive to the co-operatives to ask for such a guarantee.

We have had a very interesting discussion today. I think the resolutions do show an advance on the part of the government in regard to its marketing legislation. I am very glad indeed to see the one-year limit removed from the Agricultural Prices Support Act, and left so that it is somewhat indefinite. I regard that as an advance in this legislation, and I welcome it. I welcome it, may I say, because I believe that sooner or later—and, I think, the sooner the better—we shall have to do what has been suggested both by the hon. member who has just taken his seat and on numerous occasions by colleagues of mine in this group, including today the hon. member for Melfort (Mr. Wright) and the hon. member for Selkirk (Mr. Bryce).

I believe we shall have to have some forward pricing arrangements. After every war there has been a serious agricultural depression. Going back over the history of the last hundred years or so we have found that every time. After the Napoleonic wars there was a serious drop. Then, on this continent, after the American civil war, there was a serious drop. In Great Britain the same thing happened after the Franco-Prussian war.

I remember my father telling me how he took to market in the city of Hereford a load of hops in 1870 or 1871, after the Franco-Prussian war, and got £200 for the load. A few years later the hop-growers, of whom his father was one, were practically ruined by the sudden drop in prices.

We have seen the same thing happen in our own country. After the South African war and the first great war, and indeed until the last war, we have seen serious drops in prices, to the ruin of the farming population. While following the last war we have had the unusual situation of the United States undertaking to finance very largely the feeding and the agricultural rehabilitation of vast areas in Europe, and indeed some other parts of the world, this procedure has enabled us in this country to get by.

At the present time I think we are living pretty much on the generosity of another great nation—and when I say "we" I am thinking of Canada as well as the consuming countries in Europe. As I have said, I believe that a policy of forward pricing is the method under which farmers will be guaranteed prices in the future.

I have watched with a good deal of interest the effect of the forward pricing undertaken as a result of the agricultural act of the United Kingdom. That act, of course, followed legislation put on the statute books by the coalition government when the war was still on, and was carried a step further by the Labour government in that country. Year by year we have seen a tremendous improvement in rural and agricultural conditions in Great Britain due, I think, to forward pricing. The farmers over there, as the hon. member for Selkirk said this afternoon, know when they raise a calf, if that calf is going to be turned into three-year-old steer beef, we will say, what the minimum price will be for that steer, even before they begin to feed it. Or, as he put it this afternoon, they know what it will be four years in advance, even before the cow is bred. As I well know, that has been a tremendous boon to the British agriculturists.

The same applies to milk and to eggs; for eighteen months in advance the farmer knows what he will get for his potatoes; he knows what he will get for his sugar beets and for the other commodities he grows.

Having been born and raised, until I reached the age of discretion and came to Canada, in a farming area of the old country, I was interested some fifteen or sixteen months ago to spend a week among the pople I had known nearly forty years before. I found there was a transformation in the rural life of the countryside, and certainly a transformation in the conditions of the farmers, who were never so prosperous, never so well off and never as secure as they are at the present time.

Mr. Howe: Why did they vote Conservative, then?

Mr. Coldwell: That is a good question. As a matter of fact, may I tell the Minister of Trade and Commerce (Mr. Howe) that I was predicting before the election was held that they would continue to vote Conservative, and the reason for their doing so was that they are traditionally Conservative. They have never voted anything else, and it will take a new generation to get them to vote anything else. When I was a boy, even a Liberal candidate—a Liberal, mind you—could not get a hall in some parts of the county of Devonshire in which I was born, from the platform of which he could speak. The squire and the local authorities saw to it that he did not have a hall. Often he had to speak from a wagon in a farmyard.

However, they have advanced beyond that and I have no doubt, as time goes on, they will advance still further to the day when they will join with the rest of the people in England in supporting many more progressive measures than they seemed inclined to support in the recent election. But I say it is tradition, rather than anything else.

Mr. Smith (Calgary West): The Liberals were on the wagon, so to speak.

Mr. Coldwell: Well, I am not saying anything on that score. But the prosperity of those agricultural regions is due to the planning of their agricultural production and the guarantee they have that they will get certain prices after they have reaped their crops. This permits them to make plans. If they wish to buy a piece of land—and they can do it today, whereas they could not years ago—they know they will have certain returns to meet that obligation. If they wish to buy machinery, or any other types of farm supplies they are now using, they know they will be able to pay for it as the days go by.

Let me add this, that one of the reasons I think there was no change in the usual voting strength of the parties in the rural

districts was that the Conservatives as well as the Liberals were in favour of this legislation, and there was no issue because the farmers knew they were going to have a continuance of the policy which one of the great agriculturists of Great Britain, an old Tory peer, Lord Bledisloe, described as the great agricultural charter.

Mr. Gardiner: Put in by the Conservatives, in the first place.

Mr. Coldwell: Did I not say that?

Mr. Gardiner: Yes.

Mr. Coldwell: I said it was the coalition government.

Mr. Gardiner: Before that.

Mr. Coldwell: And I said it had been carried a step farther by the Labour government. I thought I was perfectly fair in what I said, because I was not giving the credit to any one government for having done all of it. I do not propose to do that, because I think the less partisanship we have in dealing with this problem the better it will be for all of us and for the country. May I remind the minister that what I am doing now is endeavouring not to discuss this from any partisan standpoint at all, but rather to put before the government what I believe should be considered, and modified to meet our Canadian conditions perhaps, but nevertheless undertaken in part by the government in Canada.

The increase in the last few years in farm production owing to that policy in Great Britain has been nothing short of phenomenal. Figures I have here from a British government report—and I am not referring to any party report—show that the dairy herds have increased by over 200,000 head, young cows by more than 400,000 head and other cattle by 35,000 head since 1947. Flocks of sheep have increased by two and three quarter million. The heavy losses suffered in the winter of 1947, which hon. members will recall, have been completely overcome.

Mr. Smith (Calgary West): The flocks of sheep in the House of Commons have also been increased.

Mr. Coldwell: I am not commenting on that situation just now although I may on some other occasion. The same thing with pigs; 1,200,000 more last year than in 1947. Poultry, 10 million more than in June, 1948. As we all know, the production and consumption of fluid milk has increased by over 60 per cent.

Mr. Hosking: They still only get two pints per week.

Mr. Coldwell: It has been increased a little lately, but supposing what my hon. friend says is true, the fact is that they are drinking 60 per cent more fluid milk than they were in 1939 before the war.

Mr. Bryce: I should like to correct the statement made by the hon. gentleman who has just interrupted.

Mr. Speaker: Is the hon. gentleman rising on a question of privilege?

Mr. Bryce: I want to tell the hon. gentleman that there is no milk rationing in Great Britain.

Mr. Coldwell: Even if there was, what I am saying is that forward pricing has increased both the production and consumption of fluid milk. While what my hon. friend has said may have been true, they are drinking 60 per cent more than they were in 1939. Every child in school is provided with a bottle of milk and instead of a few people with money being able to buy all the milk, the kiddies of Great Britain are getting milk today, many of them for the first time in their lives. That is the answer to the interjection made by the hon. member.

As I said, minimum prices are fixed well in advance. For instance, in the spring of 1949 prices were announced for the 1951 harvest. Livestock prices have been fixed right up to 1953. My hon. friends will say that that requires a good deal of planning and regimentation. As a matter of fact, what planning there is is undertaken by the county committees consisting of the farmers themselves. The farmers, the farm workers and even the land owners have the principal say in the planning of agricultural production. Although it is peculiarly difficult to plan agriculture, the fact is that it has been rather successfully done and without regimentation under the agricultural act to which I have referred.

I think we have to go beyond where the proposed resolution takes us, although it perhaps takes us part of the way. We must adopt a policy of agricultural advance pricing. The condition in our own country with regard to future markets is uncertain. I am not going to repeat what has been said about how we are going to market any surpluses that may occur in the future. This afternoon the Minister of Agriculture (Mr. Gardiner) quoted from a speech he made in 1944 when he said that we could not dump foodstuffs into the sea or into our lakes, that we could not burn or destroy them. I thoroughly agree that we have to find other ways of disposing of these goods for the welfare of mankind.

We have suggested on occasion, and it has been suggested today, that we should try to enter into direct trade relationships with our customers and arrange for the exchange of

goods. In the speech on the address I proposed that in addition we should accept some sterling for investment in the sterling area, but let that be. I notice the Minister of Trade and Commerce (Mr. Howe) made a most interesting speech before the University club in New York last Saturday. There is one paragraph in the report I have of that speech, which I hope is correct, in which I am particularly interested. The minister gave an example of what is going on in the world, and at page three he is reported as saying:

> Few countries have yet been able to make much headway toward freeing their foreign commerce from import, export and exchange restrictions. Actually the progress that is being made in some countries in this regard is being largely offset by the increasing extent and severity of restrictions in other countries. Not only that. Our old aversion, the bilateral agreement, in its many different forms, is very much in the picture. The proportion of total world trade that is being moved today through the closely controlled channels of bilateral trade and financial agreements is probably greater than it ever was at any previous period, including the eight or ten years of the pre-war depression when the German-inspired system of barter and compensation trade was at its height. Bad as it may be from the standpoint of liberal commercial—

That is a liberal with a small "l".

> —policy, it may be taken for granted that this widespread use of bilateral agreements is not going to disappear, nor be much reduced until unstable currency values and heavily unbalanced trade between different areas has been corrected to an extent that will assure the many countries that are using this trading system that they can give it up safely and with something better in sight.

That is a rather broad and most interesting statement by the Minister of Trade and Commerce of this country.

Mr. Howe: I never took any other view.

Mr. Coldwell: Speaking from the other side of the house I have always felt that the moment bilateral agreements were mentioned, immediately there was a feeling, and indeed sometimes there were remarks which indicated, that to a similar proposal here the answer would be, "No." While the minister in his speech did not say that he was prepared to embark on bilateral agreements, he states most plainly that for some time to come that is the method by which many countries are going to trade.

Mr. Howe: I said that there is a great deal of it, but we are not going—

Mr. Wright: You will not trade at all.

Mr. Coldwell: May I read that again:

> Bad as it may be from the standpoint of liberal commercial policy, it may be taken for granted that this widespread use of bilateral agreements is not going to disappear, nor be much reduced until unstable currency values and heavily unbalanced trade between different areas has been corrected to an extent that will assure the many countries that are using this trading system that they can give it up safely and with something better in sight.

As the minister puts it, that is the system that many nations are using; and let me remind him that among those many nations are some of our best erstwhile customers. If our own surpluses are going to continue for some time to come, as the minister suggests, then I say that whether we like that system of trading or not we should be considering it. I am not saying that the minister said that.

Mr. Howe: Up to this moment we have been able to successfully sell all our surpluses without resort to bilateral agreements.

Mr. Coldwell: Supposing I accept that statement except, as the Minister of Agriculture said recently, for a little butter, a little bit of cheese and some honey, why have we been able to do that? It is not because we are exchanging goods; it is largely because our overseas customers have been financed from ECA and Marshall plan funds.

Mr. Howe: That statement is greatly exaggerated.

Mr. Coldwell: That may be so. It may be somewhat exaggerated, but if we look at the trade relations of our country what do we find? I do not want to enter into this phase particularly, because it really does not come under the resolution I am discussing; but taking our trade relationships we find, for example, that we accepted some $400 million less in goods from the United Kingdom than we sent to them. I am speaking from memory, and it is around that figure. That has to be financed in some way. As a matter of fact it almost balances the amount representing the excess of what we bought from the United States last year over what we sold to them. When Marshall aid and ECA dollars are finished we shall be driven to consider ways and means of trading our surpluses in exchange for goods we can use. The minister shakes his head, but surely that is the way trade should be carried on even if we do not make bilateral agreements.

I do not know whether there is any truth in the statement in the evening paper, but if there is we are going to place another barrier against the sale of Canadian farm products and other commodities to our customer across the sea. There is a story in the press tonight that British cars coming into this country will be impeded by the imposition of some form of dumping duty in order to raise the prices more nearly to the level of our Canadian cars. I hope that is not true.

Mr. Howe: Who is going to do that?

Mr. Coldwell: The article said that the government was considering it.

Mr. Speaker: Order. I hesitate to interrupt the hon. member, but I do not see how these remarks are directly related to the resolution. The house seems to be greatly interested in them and in the subject, but if I allow the hon. member to continue further I shall have to allow other hon. members to do the same. Therefore I suggest to him that he might revert to the resolution.

Mr. Coldwell: Mr. Speaker, I do not want to transgress the rules of the house. Perhaps I was more or less inspired to get a little bit outside them by one or two interruptions. We are however dealing with two resolutions, a resolution to amend the Agricultural Products Act by extending its operation for a period of one year, and a resolution to amend the Agricultural Prices Support Act, 1944. What I was arguing was that if we are going to support our agricultural products and sell them in the markets of the world we must enter into trading relationships that will enable us to sell overseas. Mainly I rose to say, and I am going to repeat it, that I thoroughly support the suggestions that have been made—and may I say we have been making them for several years—that we shall not only adopt floor prices that are adequate but that we shall also set up a system of forward pricing so that our farmers will know what they are going to get not a few months ahead, indeed not inadequate support prices that are put into effect after prices have fallen, but the minimum prices they will get for their produce one, two or even three years in advance. It has worked out successfully in another country, perhaps with a different economy, but nonetheless I believe if we are to have a stable and planned agriculture then we have got to adopt a policy of this description. While we support these resolutions, and particularly the one relating to the Agricultural Prices Support Act, 1944, we want to go beyond that both for our farmers and our fishermen whose industries require similar guarantees.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I want to make a few remarks on these two resolutions because they seriously concern quite a number of my constituents. I want to express my support of the principle of the two resolutions, a principle which has been so strongly endorsed by the Canadian Federation of Agriculture, and in my own province by the British Columbia fruit growers association. Before proceeding, may I say that I want to support particularly the remarks of the hon. member for Melfort (Mr. Wright) when he said he thought this type of legislation should be made permanent. I am of the opinion that neither the government nor the farmers can do any long-range planning or have any measure of security so long as this measure is in force only from year to year. It is my opinion that this legislation should be made permanent if we are going to have a sound foundation upon which to build our future agricultural marketing structure.

The fruit growers of British Columbia, as represented by the delegates at the British Columbia fruit growers association annual convention, expressed their strong support of these principles, and also passed a resolution thanking the Minister of Agriculture (Mr. Gardiner) for finally introducing into the house the Agricultural Products Marketing Act last year. I support the proposals made by the Canadian Federation of Agriculture as to floor prices for bacon, cheese, butter, eggs and so on.

In my riding there are a considerable number of poultry producers, and their number increased greatly during the war years largely at the request of the government for more production. Now they find themselves in a most difficult position. It is my opinion that no section of agriculture is more speculative than the poultry industry or makes a less effective protest to government. Strangely enough, I think it is largely because it is not as well organized as some other branches of agriculture. Its voice is not heard as well on a national basis as some of the other sections of agriculture. The poultry producers are now in a most difficult position. I am quite sure there are many poultry producers in other constituencies who are also faced with the same problems of rising feed costs, other rising costs, and falling prices for their eggs and poultry. In discussing with consumers the situation of the poultry producers, particularly people who live in the cities, I often find there is quite a misconception on the part of consumers as to the share, shall I say, that the poultry producer is getting of the price his products bring. In that connection I want to quote an extract from a brief prepared by the Canadian Federation of Agriculture with respect to support proposals. It has this to say as to eggs:

> The average Montreal wholesale price of grade A large eggs in 1949 was 56·4 cents a dozen, slightly higher than the average of 55·8 cents for 1948. In spite of the seasonal high retail price of 75 cents a dozen for August last year, the average retail price for 1949 of 62 cents a dozen was only 14 cents a dozen or 29 per cent higher than for the five years 1925 to 1929. But in 1949 wage rates in Canada were more than twice the rates of the 1925-29 period. In terms of the buying power of urban consumers the average retail price of eggs in 1949 was very reasonable.

I just place that on the record, Mr. Speaker, because I find a great deal of misunderstanding of the actual position of the poultry producer on the part of many consumers in the city areas.

I should like to say a word or two in connection with price support for the products of the dairy producers. There is in my constituency a mixed farming, lumbering and mining development. There are a number of small farmers, who do a certain amount of dairying under somewhat more difficult conditions than those which prevail on the larger farms. Many of these farmers depend for their living on the cream they ship to the creameries, so the price of butter is of very serious import to them. There again, the freight costs, feed costs and other costs, particularly in the district I represent, are mounting. I am sure that those producers welcome the price support program for butter, and I urge continued support at a satisfactory level.

I rise this evening, Mr. Speaker, particularly to say a few words about the position of the tree fruit industry in British Columbia. In dealing with this question, I am not only speaking as a member of this house, but I am speaking as a grower of some 40 years' experience. While I am only a small producer, I have been a member of the British Columbia fruit growers association for all that time; 35 years as a member of various co-operatives, and at present I am vice-president of the Kootenay storage co-operative. When I speak on this subject, I represent a number of small growers, who have carved their farms out of the forest as a result of great toil and labour, and in many cases a considerable expenditure of capital. These people as a whole are hard-working and frugal in their way of life. If any people deserve some support or some assistance, they do. When I speak about them, Mr. Speaker, in my mind's eye I can see them now, pruning and spraying; making preparations for this year's crop.

I believe this government's marketing policies have seriously affected the position of the fruit growers. The general retreat of the government from the commodity board principle is one that is regretted by the fruit growers in my constituency. The failure to support the principle of marketing surpluses, advocated by the international commodity clearing house, is equally regretted by the fruit growers of the constituency I have the honour to represent. I urge upon the government, Mr. Speaker, careful consideration of the proposals that have been advanced by the C.C.F. members of this house. Throughout the country I find that these ideas are gaining the support of many people. First of all, I do ask the government to explore further the possibilities of selling some of our agricultural surpluses for sterling, which sterling could be reinvested in undeveloped areas. I find there is considerable support in responsible quarters for that proposal. I do ask the government to investigate the possibilities in this direction.

Now, Mr. Speaker, a continuation of the present policies so far as marketing in the international sphere is concerned will result in more agricultural surpluses, and poverty and want at home and abroad. I want to bring one other suggestion in this respect to the attention of the minister. I understand that about $400 million are used annually at this time for the purchase of Canadian wheat by the government of Britain. The government made some arrangements for deferring the purchase of a certain amount of wheat, in order to make it possible for the British to buy a certain amount of cheese and bacon. I should like to suggest to the minister that, since $400 million are to be expended on wheat, and an arrangement was made for the suspension of some of that in order for the British to buy cheese and bacon, surely if the matter had been taken up with the British they would have been willing to arrange that four or five million dollars be used for the purchase of fruit. An important consideration in this matter is that you can keep wheat from year to year, but you cannot keep fruit. I think if the minister had made some arrangement such as that it would have been of great assistance to the fruit growing industry, of great assistance to the British, and to this government.

Before sitting down, I should like to deal with the loss of the British preference, because I believe the easy way in which our government gave up the British preference, upon the recommendations of its officials, indicates that the government did not examine the future possibilities as it should have done. When the British preference was given up, I stated in this house in 1948 that I was quite sure the government officials were wrong when they said there was no future in the British market for apples. On that point, I should like to quote from the record of the 1948 committee on banking and commerce. The matter was of some concern to the British Columbia members representing constituencies in which fruit is grown. I should like to quote briefly from page 234 of this committee report. The member for Kamloops (Mr. Fulton) is questioning Mr. MacKinnon of the Department of Trade and Commerce. It reads as follows:

Mr. Fulton: This would probably be the time to ask you about the loss of the preference on apples. I have studied very carefully, Mr. MacKinnon, the statement which you made to the Senate committee on trade relations and particularly the passages at page 43 where several senators were asking you

questions on the loss of the preference and asking why our delegation gave up the preference. The tenor of your answer was that it was felt the British preference on apples was not of very substantial value and you said the British apple market was losing its attraction. I would like to read the words you yourself used when questioned as to the British apple production and you said:

At this point, the hon. member for Kamloops quoted Mr. MacKinnon.

I believe that they could produce this year all their requirements; they would not need to import a single apple. Apart altogether from considerations of exchange and trade agreements, they would not need to import an apple for their own use this year. The extent to which the orchards in Devon, Cornwall, Somerset and Norfolk have been developed is simply amazing. We had to keep in mind the consideration that we were dealing, as Mr. Deutsch intimated yesterday, with the livelihood of our people. The fact was that the United Kingdom market was becoming not only less attractive in that sense, but probably less real as regards the benefit of the preference; that is, in view particularly of the fact, in the short term, that she had no money with which to buy apples; and, in the long term, that it seems to be her policy to become self-sufficient in apples.

Then the member for Kamloops continued:

Now I hesitate to disagree with you, Mr. MacKinnon, naturally, but I should say this. I questioned the British food commission in Canada on those statements and I have a number of figures here which they gave me as to their own apple production, and I can find nothing in what they told me to substantiate your statement that the United Kingdom is seeking to become self-sufficient in apples.

Then later on, Mr. MacKinnon says:

However, it apparently is the fact that, from now on, barring the unforeseen catastrophe in the form of blights or bad weather, Britain will be self-sufficient as regards fresh apples.

There was further questioning of Mr. MacKinnon with respect to the question of the loss of British preference for apples, and at page 238 of the committee report he was asked the following question:

Just on that point, Mr. MacKinnon, was there any pressure by the United States or any other nation as to the elimination of this particular preference?

Mr. MacKinnon: No more pressure than was brought to bear by the United States in respect to many preferences.

Now that was the point, Mr. Speaker. At the time we were discussing this question in 1948, the two points I made were, first, that I was quite certain there were future possibilities for the sale of Canadian apples in the British market; and second, that pressure had been brought by the United States upon our delegation to relinquish these preferences, although at the same time they were trying to tell us that there was nothing worth-while being relinquished. I think any sensible person would realize that no competent United States businessman uses his pressure for the removal of a preference unless it means some advantage to him.

I think that the government made a big mistake in overlooking the future possibilities for the sale of Canadian apples in the British market. British Columbia must find a market for between two and a half million and three million boxes a year, in the export market, if the producer is going to experience any sense of stability. What are the facts? In 1948 our officials said this market had disappeared, that it had no future. The facts are these. Approximately within the last thirty days the Australians made a deal with Great Britain to supply three and a half million boxes of apples. At the present time the shops in England are full of United States apples. Large importations are coming from Italy; hundreds of thousands of pounds of apples, not boxes, are going to Great Britain. Going to Britain are also apples from Belgium and the Netherlands. The demand is there in Great Britain for Canadian apples. The correspondence I receive from relatives and friends in England indicates that they miss Canadian apples in the British market. Our government has relinquished these preferences, has done nothing, and these countries are taking advantage of the situation.

I have here a quotation I wish to give. It is from *Country Life*, the August 1949 issue. *Country Life* is an agricultural paper published in British Columbia. The article is headed: "British Lament Miserable Quality of Import Apples: Italian Disgrace Cull Pile", and reads in part as follows:

"Everyone in (Great Britain) was lamenting the miserable quality of apples—not only domestic, but imported supplies. The greatest criticism was directed at Italian imports which were said to have arrived in shocking condition and were a disgrace to a cull pile."

These are sentences taken from the introductory paragraph of a report, prepared by Fred A. Motz, agricultural economist, of the U.S. Department of Agriculture, following an examination of fruit marketing conditions in the United Kingdom, as part of the "study of foreign market outlets and competition with United States fruits, conducted under the provisions of the U.S. research and marketing act."

From my knowledge of what the situation is in Great Britain at the present time and from what I read in articles such as this, of the actions of the United States government, I think they are, shall I say, much keener than our government has been in finding markets for these commodities. I think there is no question about it, Mr. Speaker, that we made a big mistake in giving up the British preference, and when we took for granted what we were told, namely, that there was no future for Canadian apples in the British market.

I ask our government to give further consideration to the matter. I realize the sterling difficulties but I think these can be overcome if $4 million or $5 million of the $400

million used for wheat were diverted for the purchase of apples. Somehow or other I find this fault not only on the part of the government but on the part of officials and trade commissioners. Our trade commissioners are bright boys when it comes to selling industrial products; but it is my opinion that our trade commissioners are not as active and are not as keen, when it comes to selling agricultural products, and they do not understand the selling of agricultural products to the same extent that they understand the selling of industrial products. I ask the government to give consideration to the possibility of marketing Canadian apples next year by the use of some of these funds that are provided for wheat or by the acceptance of sterling, and the possibility of re-investment of that sterling in undeveloped areas.

I support the request of the British Columbia fruit growers' association for financial assistance from this government under this legislation. The resolution was read this afternoon by the hon. member for Yale (Mr. Jones) and I am not going to repeat it. But without question—and I am quite sure the minister would agree with this—the fruit growers of British Columbia have been a patient group throughout the years in presenting their problems to this government. The minister knows that even during the war when we could have obtained from $1 to $3 more for cherries our organization—that is, the fruit growers' organization—voluntarily said "No, this is too high a price". There was a terrific demand. They willingly accepted a lower price on cherries and other fruits in order to keep customer good will and to serve the Canadian people at a reasonable price because they considered that the grower was getting a satisfactory price, and that is all they want. I think that the fruit industry's record in that respect is excellent. It has always taken a constructive approach. It has never pressed the government for assistance unless it was in a serious position. The fruit industry in British Columbia is in a serious condition at this time and I urge the government to give consideration to their requests and to their resolution.

I have on my desk a statement of a grower that I know in my own district, at Deer Park on the Arrow lakes. He is a small fruit grower who has made a reasonable living for the last few years. He sends me this statement which shows his returns for some of the fruit produced on his five-acre orchard this year. His return for this year shows that he is in the red on that production to the extent of $241.49. That is going to be the experience of a good number of growers in our district, and in British Columbia generally, unless some assistance is given by this government. Spraying costs, farm machinery costs, and box costs are going up. For instance, in 1939 we were paying 12 cents per box for apple boxes from the factory. Today we are paying 33·2 cents per box. Freight, machinery, sprays, fertilizers, boxes, all commodities, are going up while prices have dropped rather rapidly.

In conclusion, therefore, I urge the minister and the government to give consideration to this large industry which requires some support at this time in order to get through the present difficulty; and also to give consideration to plans such as those I have suggested in my few remarks, with a view to stabilizing the industry in the years to come. Immediate assistance in the present difficulty, long-term policies on the basis of commodity agreements, and the other arrangements I have mentioned, will I think do a great deal to bring a sense of security to the agriculturists and to the fruit growers now and in the days to come.

Mr. R. R. Knight (Saskatoon): I may say, Mr. Speaker, that when I came down here I had no intention at all of entering this debate. I had hoped to listen to my hon. and agriculturist friends express their opinions. But I was greatly interested in the remark made by the Minister of Trade and Commerce (Mr. Howe) and I thought it would be only right to remind him that there are places in the world where money is not necessarily the only consideration. There are places where men's votes and influence depend on other things than their position of wealth or economic prosperity. If the Minister of Trade and Commerce had been brought up in the north of Ireland, as I was, he would know that there is a group of people there who will vote Conservative or, as they call it, Unionist, and would so vote even if the hens laid three eggs a day.

Now that I am on my feet, I might say a word or two about the subject under discussion, namely, the continuation of these two agricultural support acts. I should like to add a word of my own testimony to what has been said by the leader of our party about farm affairs overseas.

Some doubt was expressed by someone on the other side of the house as to the accuracy of some of his statements about the prosperity of the farmer in Europe, and particularly in Britain. It was my pleasure to observe that at first hand about a year ago, and I should like to bear witness to it. However, for the moment I want to say that one of the results of our not trading with Europe and with Britain is that the people over there have been compelled to increase their own

agricultural production, even if that production is not economic, or has not been up to the present.

There is a question here, and an interesting one, as to the extent to which increased agricultural production in European countries has been caused by our refusal to trade with them: our refusal first of all to accept the currency which they use; and, second, our imposition of embargoes and tariffs against their goods. Therefore, since we will not trade with them upon their own terms, they have to turn elsewhere. They have to get their agricultural needs where they can get them.

I found that the farmers in Britain, and in my native Ireland, were very prosperous. They were increasing their production. They were not complaining; and when you find farmers not complaining may I say that they are usually doing well financially. Just as an example, to support my own contention and the contention of the hon. member for Rosetown-Biggar, let me tell you that I had a letter from a farmer in the north of Ireland not very long ago concerning a farm in which I have some interest. He is not working his own land any more; he is renting it out by public auction piece by piece; and when I tell hon. members that a field will be rented for the production of grain, say oats after a potato crop the year before, for £16 an acre, they will know that there must be some profit in growing oats in that country. If you translate that amount of sterling into our currency, even at the present rates, it amounts to a good deal of money. It must be remembered that the person who rents that land has to buy his seed and fertilizer, and provide the necessary labour to put the crop in and take it off. And, as the Minister of Agriculture well knows, owing to weather conditions, farming in that country is often not an easy job.

For these people there are just two alternatives. They must buy their needs, their feed, that is to say their concentrates, in the sterling area, if we will not sell these commodities to them, or else they must produce their own. So far as I was able to observe, they are doing both and getting along quite nicely in the process.

In the first instance they are subsidized and aided—I am speaking not of Britain alone but of Denmark, of Belgium, of France, and to some extent of Italy—by their governments, which are setting up an agricultural picture, which bodes ill for our ability to sell much agricultural produce to Europe in the future. Governments are giving very special consideration to agriculture, and since the land areas which are available or arable are all in use, and since they cannot increase production in that way, they are doing it by improved methods of production and by increased use of commercial fertilizer. These are encouraged, and may I say, in most countries, are subsidized by the government.

The people of Europe have not forgotten the last war. They have not forgotten the war hunger, the post-war hunger, nor the time when the bombs were raining death on them from the skies; and they are never again going to permit themselves to get into the position of being totally dependent upon the North American continent for their foodstuffs, and for their daily bread. They plan—and it is an organized policy in Europe today—to be as nearly self-sufficient in the matter of food production as it is possible for them to be.

I said that the governments were giving some assistance to the farmers. While the minister was speaking I jotted down one or two of the ways in which that is done. First of all, they are guaranteeing prices over a period of time in order to create a feeling of stability. A man knows pretty well ahead of time what he is going to get for his cattle, or what he is going to get for his grain. Second, they are giving assistance and subsidies to farmers who are prepared to drain new land, for there are still some bog and swamp lands which can be rendered tillable. But above all things, they are expanding agricultural research and education. And from the point of view of labour, I found farm labour in Britain and in Ireland much more prosperous and contented than it has ever been before. It has always been an underprivileged and depressed class. It was so in the days of my youth. The wages paid were scandalous. They had no decent standard of living, and they were expected to work from daylight till dark. That is another way in which governments have encouraged production. They have done it by assistance to housing of people who work on the farms, and in the establishment of minimum wages and minimum hours of work.

Up to this point I have been speaking largely of the production of grain and foodstuffs; but what I have said is equally applicable, if not more so, to the production of dairy products, of beef and of the livestock industry. The governments are helping in the matter of legislation, and this is where I am coming to the support act which we have before us tonight.

One interesting thing I discovered was that in certain countries, notably in Sweden, a man may not own or buy land unless he is a farmer. Second, he is not allowed to buy more than he can efficiently use.

There is the situation. The agricultural production of Europe is increasing. One has only to go over the statistics for beef, milk and grain this year to prove that. The question that we must pose to ourselves in this house is this: Is that increase in these products to be permanent? If it is, then it will present a serious problem to the farmers of this Canada of ours, and we shall have to look elsewhere for a market for our products.

I said that the increased production is due largely to the policies of some of their governments, and largely to our own mistakes. I submit that some of it is due to our refusal to accommodate ourselves to changed marketing conditions, and our determination to stick to conservative methods of marketing. Under normal conditions Europe will not need coarse grains this year. Many countries are now, and more are becoming, self-sustaining in the matter of dairy products, and in fact they are using much more because their standards of living are rising and they are demanding more of these types of foods. Subsidies are being given to farmers in Britain, Denmark and Belgium to produce milk, butter and products of that kind. Since this has happened, since we have lost those markets, and since there is little likelihood of our regaining them, whose fault it is need not concern us now. The point is that there are in this country farmers who are faced with the loss of these markets, and that is my argument. That is all the more reason why there must be planning in agricultural marketing in this country, and hence my support of the Agricultural Prices Support Act.

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

Mr. Charlton: Mr. Chairman, while I do not think hon. members of the C.C.F. have intentionally misled the house, they have left the impression that the greatly increased production in Great Britain has been due to Labour government controls and subsidies.

An hon. Member: No.

Mr. Charlton: Be that as it may, they have left the impression that in these last few years all the increase has been as a result of the controls and subsidies.

Some hon. Members: No, no.

Mr. Charlton: The truth is that the acreage in Great Britain has been greatly increased, and much of that acreage was formerly virgin soil which had never been worked. Much of the increase can be traced to the increased volume of land in production, as well as improved methods.

[Mr. Knight.]

I suggest the minister should give the committee some information as to the quantities of bacon, cheese and eggs contracted for in the last few years, and the quantities sent under those contracts each year, together with the prices paid. That information would be useful if it were placed on record.

Mr. Gardiner: Dealing first with bacon in 1939, the first year of the contract, the minimum contracted for was 291 million pounds, and we delivered more than that. The figure for delivery is 331 million pounds. In 1940 the amount contracted for was 425·6 million pounds and we sent that amount. In 1941 the amount contracted for was 600 million pounds, and we delivered 600 million pounds.

Then, in the year 1942-43—and we were dealing at that time with what we called the hog year, running from October 1 to the following September 30—we contracted for 675 million pounds and sent 675·1 million. In the fifth year of the contract—and let me point out that in January 1, 1944, we switched over, so that when we give the figure of 700 million pounds it will be understood that it is partially due to the change which took place.

In the period of two years, from January 1, 1944, to December 31, 1945, we contracted for 900 million pounds, sending over 450 million pounds in the first year and 272·9 million in the second year. Then, in the seventh year, from January to December we had contracted for 350 million pounds, and sent over 225·9 million. In the eighth year we contracted for 225 million and sent over 176·4. In 1949 we contracted for 160 million. The figure I have here shows a delivery of 67·1 million down to a certain date, but it is not complete. My understanding however is that it did run to 100 million last year. It will be noted that the figures for the last number of years have not nearly met the amounts contracted for and which could have been shipped if we had produced it.

Then may I add there are other quantities here which are related to pork. I have in mind canned pork, hog casings, pork offals and the like, which would bring these figures up to the total amounts sometimes used when we are referring to pork products. However, the amounts are not large. I might add that lard would also be included.

Then, coming to beef: we did not have a beef contract until 1944. We did have one from January of that year until December 31, 1945, a two-year contract. The minimum quantity contracted for was 100 million pounds, and the actual quantity shipped amounted to 348 million. In the second agreement, from January 1, 1946, to December 31, 1946, we agreed to send 60 million and sent 119·8 million. In the third year we agreed to

send 120 million and sent only 40·6 million. That was at the time when we began to arrange to send our beef to the United States instead of sending it to Great Britain. In the fourth year we had an agreement for 50 million pounds, and sent 16·9 million. We then discontinued, and sent our beef to the United States.

With respect to poultry: Our first agreement was of November 11, 1943. We agreed to send 250,000 pounds and sent 258·3 thousand. The next year we agreed to send 2,000,000 pounds and we sent 1,973,000 pounds. The third year we agreed to send 12,500,000 pounds and we sent 13,329,000 pounds. That agreement was dropped and we have been shipping to the United States since.

In the case of eggs, the first contract in 1941 ran from April 1 to December 31. In that year we contracted for 13,800,000 dozen and we sent 15,337,000 dozen. The next year we contracted for 38,100,000 dozen and we sent 33,402,000 dozen. The next year we contracted for 57,000,000 dozen and we sent 33,643,000 dozen. The next year we contracted for 50,400,000 dozen and we sent 79,920,000 dozen. The following year, from January 1, 1945, to December 31, 1945, we contracted for 50,400,000 dozen and we sent 42,000,000 dozen in shell form and 47,700,000 dozen dried. The sixth year we contracted for 83,000,000 dozen and we sent 54,000,000 dozen shelled and 14,000,000 dozen dried. The next year we contracted for 83,000,000 dozen and we sent 58,000,000 dozen shelled and 30,569,000 dozen dried. The eighth year we contracted for 64,000,000 dozen and we sent 36,270,000 dozen shelled and 26,976,000 dozen dried. Last year we contracted to send 46,000,000 dozen but the final figure is not in this book. We did send something over 40,000,000 dozen.

I imagine hon. members might be interested in cheese. The first cheese contract was in 1940 and covered from May 28 to November 30. We contracted to send 78,000,000 pounds and we sent 93,000,000 pounds. The next year we contracted to send 112,000,000 pounds and we sent 115,000,000 pounds.

Mr. Charlton: Could the minister also give the prices?

Mr. Gardiner: The first year, 1940, the price was 14 cents per pound. In 1941 it was 14·4 cents. In the third year, which was 1942-43, we contracted to send 125 million pounds at 20 cents and we sent over 142 million pounds. In the fourth year we contracted for 150 million pounds at 20 cents and we sent 116·2 million pounds. In the fifth year we contracted for 125 million pounds at 20 cents and we sent 123 million pounds. In the sixth year we contracted for 125 million pounds at 20 cents and we sent 126·7 million pounds. In the seventh year we contracted for 125 million pounds at 20 cents and we sent 92 million pounds. In the eighth year, which covered from April 1, 1947, to March 31, 1948, we contracted to send 125 million pounds at 25 cents and we sent only 56 million pounds. Then in the ninth year we contracted to send 50 million pounds at 30 cents and we sent 32 million pounds. Last year we contracted to send 50 million pounds at 30 cents and we sent 50 million pounds. We had about 20 million pounds left at the end of the contract period which the British would not take. There is still what I called the other day a little surplus which amounts to some 18 million pounds. After all, that is not very much cheese to have in Canada.

I do not think the evaporated milk figures are important except to the people who are selling that product. They do not represent a great volume and it would take quite a time to give them all. I shall not do so unless hon. members request me to give the details.

Mr. Murray (Cariboo): Has the minister given any thought to looking for markets for our agricultural products along the Pacific? We have been shipping to the English market for one hundred years. In 1858 there were considerable shipments of grain from Upper Canada to Great Britain and that has been going on ever since. I would refer the minister to the Turgeon commission on grain which reported prior to world war II that the only part of the world where there was a demand for the surplus grains of Canada was along the Pacific. I just throw that out as a suggestion.

A lot of time has been wasted discussing the various angles of the agricultural situation. Hong Kong is a tributary to Vancouver. For fifty years we have been subsidizing ships that run to Hong Kong, and yet I think the returns will show that the people of Hong Kong before the war were buying bacon brought from Czechoslovakia or some place in Europe. No effort was being made by our Canadian people to develop a market in that British port. There are 80 million people in Japan and that country should provide a market for some of our surplus products.

I recall a contract that was entered into by certain people in Shanghai for the purchase of ice cream to be manufactured in British Columbia. This transaction was upset by the outbreak of war. There is a civilization developing over there which is becoming quite modernized and the people are acquiring a taste for bacon, flour, apples and many other products which we have in Canada.

An hon. Member: And cheese.

Mr. Murray (Cariboo): Cheese and dairy products. It might be well to think of developing some of these sources of trade when we are finding the markets of Europe so difficult to enter.

Mr. Gardiner: The Minister of Trade and Commerce is not here at the moment. He would have a much more intimate knowledge of the matter that has been raised than I have. I agree with most of what has been said tonight, that the best market for our Canadian products is in Canada. Right now we are getting higher prices for most of what we do sell in Canada than we could get anywhere else in the world. This applies to practically all animal products except beef cattle.

As long as the farmer can sell all that he produces in Canada, that is where he is going to sell especially when he can get more here than anywhere else. When we think he is not going to get enough, under this legislation we provide him with another three and a half cents per pound for Wiltshire sides and three cents per pound for cheese, partly by way of subsidy and partly by saying to the consumer in Canada that we would like him to pay it. With that help our farmer is getting higher prices than he could get elsewhere.

That is just what we said to him six years ago when this legislation was put on the statute books. We told him that we would help him to get better prices for staple products than he could get anywhere else, and he has been getting them. I suppose it may be argued that he has not been getting them long enough. I do not know, but up to now he is getting it. He is going to sell all he can in that market. In that regard may I say that we were doing a lot of talking a short time ago about the price of hogs. We have eaten 32 per cent more pork in the last two months than we ate in the same two months last year. We have eaten so much that the price of hogs today is just about at the floor price where it was last year when we were selling Wiltshire sides to Great Britain at $36 a hundred. Because our own people are eating bacon at a higher price than it is now being sold to Great Britain we are not getting the bacon to send there at the present time. Just a fraction of what we had expected to send to Great Britain has gone over in the last two months. We are not so much concerned now as we were a little while ago about whether the 60 million pounds in the contract is going to be used up in the first six months. I say that in order to show that when you can sell hogs at the price we are selling them in Canada, when you can sell cheese at the price you are selling it in Canada, when you can sell butter at the price you are selling it in Canada, there is no use thinking about trying to sell them in China because the Chinese just do not pay that much for the food they eat even if they had the dollars to pay for it.

After you get through with Canada the second best market, provided they will let us into it, is the United States. That is proved by the fact that when I was out in Alberta the other day I warned them about the situation. I might say to my friend from Calgary West—and he is concerned about that country—that one of the reasons why I went out there was to point out to them that they are selling 500,000 head of cattle a year, and Saskatchewan is selling 400,000 head of cattle a year. By doing that for the last few years they have reduced the number of cattle on the farms by two million. If they keep on doing that for a few years longer we will be wondering where we are going to get our production. We will not be wondering what we are going to do to sell it. I was warning them against selling their cattle at that rate and putting in three million acres more wheat last year. I was warning them that they should not do that another year, that they should keep their cattle on the farms, that they should keep on feeding cattle and cut down on their wheat acreage.

I say that in order to point out that there is no way in which you can determine that you are going to sell products to a market that is not as good as the one to which you are selling them. There is no place else in the world where you will get a price for cattle that will cause our farmers to cut down their herds to the extent they are in order to sell cattle in the United States. When they started to do that they did not think they were going to have those prices for cattle long enough to cut down their herds. They thought they were going to get something for what they had carried over and then eventually come to a lower level, but they have not yet.

After we get by the United States, if we have anything left to sell to anyone, apart from the trade restrictions that are put on and the fact that people refuse to buy it, the best market is the British market. If after we get through supplying those three markets we have anything left certainly we start to hunt for other markets, but it is not very often we have much left. We are always prepared to sell our products anywhere in the world that we can sell them and get the same return for them as we can get anywhere else. We have our feelers out in every country in the world where products can be sold in order to get all the information we can. I repeat what I have repeated on a number of occasions—and I hope I will not start a discussion by saying it—that we are not experiencing any great difficulty in selling our surpluses. When I

say "surpluses" I am speaking advisedly and using the word "surplus" in the broadest sense of the term: you produce more than you want to consume in your own country. I am not talking about what is left over at the end of the year. I could go through these figures in front of me to indicate to you that when we get to the end of the year we have not very much of anything left over, if anything.

An hon. Member: Except butter.

Mr. Gardiner: We have not much of that. We eat a million pounds of butter a day. You could eat in ten days in this country all the surplus we have carried over. If it snows until the end of April as it has today you will eat it all. We have not got any more than enough in this country if we go through an April such as we have often had.

Mr. Drew: It will be bad if we have snow in June.

Mr. Gardiner: I have seen snow in May and I have gone skating on the 7th of May.

Mr. Knowles: You go skating every month in the year.

Mr. Gardiner: My friend says I go skating. I used to do a lot of skating, but I don't any more.

Mr. Knowles: You skate on pretty thin ice, too.

Mr. Gardiner: I used to keep some people who are in the house fairly busy too.

An hon. Member: Not on thin ice.

Mr. Gardiner: No; we put the ice some place where it would not break through, but nevertheless we had it. In concluding my remarks on this matter, I want to say that we explore every market in the world for farm products. From time to time we are selling products in Israel, India, Greece, Italy and France. We sell them in every country where we can, and it is not always just because we are worried about surpluses. It is because we want to encourage people to do what some of my friends over here have in mind when they talk about barter. We like to make some of these people feel good by giving them what they want even if we have to run ourselves short sometimes.

Mr. Wright: I should like to say a word or two and ask the minister a question. The hon. member for Brant-Wentworth suggested this afternoon that members of this group had given most of the credit for the additional production in England to what has taken place in the last three or four years under the Labour government. It certainly was not our intention to give that impression to the house, and I do not think we did. I was in England in 1944, and I know their agricultural act which they had in force at that time encouraged people to break up land. I was down in Hampshire county, and one farmer I visited had put 400 acres of new land under cultivation, but he had a subsidy from the government of £7 an acre for doing so. That was one of the reasons why a lot of land was put under cultivation at that time, because of subsidies paid by the government.

I should like to ask the minister if he will answer the question which I asked during the course of my remarks with respect to the Agricultural Prices Support Act. Subsection 2 of section 9 of that act states that the board:

> . . . shall endeavour to secure a fair relationship between the returns from agriculture and those from other occupations.

If the press was correct the minister, in speaking to the Canadian Federation of Agriculture at Niagara Falls, indicated that the floor which had been set under the floor price legislation in Canada was in no case less than 10 per cent more than the ceiling price that had been received for those particular agricultural products during and since the war. Can the minister tell us just how the board arrives at what is a fair relationship between returns from agriculture and those from other occupations? They must have some method of determining it. So far as agriculture is concerned, I know that the price of our implements has not gone down by 10 per cent, nor has the cost of wages gone down by 10 per cent. I do not think that section of the act has been taken into consideration in setting these prices. I wish the minister would give the house and the country some idea of what method the board uses in determining what is a fair relationship between the returns from agriculture and those from other occupations in Canada.

Mr. Gardiner: Mr. Chairman, the board has followed exactly the practice as outlined in what I read this afternoon, and exactly the practice stated in the legislation itself. If my hon. friend did follow what I said at the federation meeting at Niagara Falls, he will recall that I was asked that question there. On the night of the broadcast, when Mr. Galbraith was there from the United States, I was asked by Mr. Hope, who is well known to members of this house, how we arrived at our floor prices. I stated that the practice we had followed had been to set up an agricultural prices support board in 1944. We gave them the task of comparing the costs to the farmers at that time with the returns they were obtaining, that is for 1943, 1944, and 1945, the last three years of the war.

Then I said that in setting floor prices we went back over those figures and had them checked. Then we compared them with the prices that the farmers were paying for the same list of products now, and what they were getting for their products under the floors. Well, that was the first answer. Then Mr. Hope asked Mr. Galbraith which period would give the farmer the better return if it were taken as a basis for what was called parity, the period of 1943-45, or the period 1926-29, or the period 1909-14, which is the period used by the United States. Mr. Galbraith said he did not have the figures for 1943-45, but he did have the figures for 1943-48, and he said the best period in the United States was that period. He said the second best period was from 1926 to 1929, and the third best was from 1909 to 1914. If I remember correctly, he said that the highest one was about 15 per cent better than the other one. While he did not have the exact figures on the centre period, he thought it might be somewhere around 10 or a little lower, better than the period 1909-14.

The next day I was asked this question again in the open meeting, and I gave the answer that I have just given. Mr. Hope stood up in the meeting—I am sure that if he were here tonight he would tell you what I am going to tell you now—and said, "When I asked the question last night and got the answer I did from Mr. Galbraith, I was a little surprised; so I went right up to my room and took those figures." For the benefit of the members of this house, I might say that up until last year Mr. Hope was the economic adviser to the Conservative party on agricultural matters. He is now economic adviser to the farm federation. Mr. Hope said he went up to his room, took the figures which he had, checked up on what had been said, and applied it to Canada. He said, "I must say that the last period is still the better in Canada." He did not say how much better, but he said it was better in Canada. In other words, our base is the highest price.

What I want to say, in reply to the question that has been asked, is that we have checked the floors we have put in. A Mr. MacInnis, the gentleman who has been going around Ontario making speeches about hogs, got up in the meeting and said, "Can you give me those figures?" I told him I could not give him those figures now because I did not have them with me. I checked them before I agreed to the 32½ cents, and before I agreed to the figure that is being paid by all concerned. I said, "All I can tell you at the moment is that the price which was agreed to is highest." Well, I have sent him the figures since, and speaking from memory—I can give the correct figures later if it is necessary—it works out to 24 cents and a fraction for hogs that are now selling in Toronto at 27 cents and a fraction. You will find if you go over the others that there is not very much difference in the others as compared with that. In other words, we have not written a formula into the act; we are trying to use common sense in working out the figures. We think they are quite satisfactory.

Mr. Wright: I take it from the minister's reply that the period 1943-45 will be used in determining—or is it 1943-48?

Mr. Gardiner: The period we have been checking on is 1943, 1944 and 1945. We will continue to check on it. I do not say, neither do they in the United States, that when that has been worked out we are going to pay a 100 per cent floor price based on it. In the United States, they do not pay anything higher than 90 per cent, and most of the time they are paying 60 per cent. What I did say in Niagara Falls, and what I have said everywhere, is that, when we brought in this legislation, no farmer in Canada, no one anywhere, expected that we would set floor prices at the highest price level we would ever obtain for farm products. That is the price we obtained in 1949, the highest price we ever obtained.

The only criticism that has been made of what we have done is that we should have put the floor at the peak. We did not undertake to do that.

Mr. Wright: It is quite evident from what the minister has stated now that, so far as the government is concerned, it is not going to give a guarantee at all. It is only going to figure out the 1943-45 price and decide on each product as it comes up, whether to set the floor prices at 70 per cent of parity, 90 per cent, or 25 per cent.

Mr. Gardiner: The people learned a long time ago, and have demonstrated it quite a few times in recent elections, that the security of having a Liberal government in power giving them these undertakings is sufficient.

Mr. Charlton: Has the minister compared the prices in Canada for 1943-45 with the figures for the United States for the same years?

Mr. Gardiner: I do not think I have them here for the same years, but I think my hon. friend knows Mr. Galbraith. He is a native of Ontario, and has held prominent positions in the United States department of agriculture, as well as in United States universities. He has figured out prices for the United States, but has spent a considerable part of

his time in this country. If my hon. friend does not know Mr. Galbraith, I am sure he knows Mr. Hope. These gentlemen have both said that the position is a better position, if you take those years, both in Canada and in the United States, than you could get by taking any other years.

Mr. Charlton: I am not questioning Mr. Galbraith's figures for 1943-48. Mr. Galbraith took the figures from 1943-48—

Mr. Gardiner: But Mr. Hope did not.

Mr. Charlton: The minister is taking the figures from 1943-45, and is not considering 1946, 1947 or 1948.

Mr. Gardiner: Mr. Hope, in making his statement the next day, took the period I took, and said he had to admit that it was a better period.

Mr. Charlton: Let us get this straight, Mr. Chairman. The figures the minister has just said were taken when floor prices were fixed on these products were from 1943-45; is that correct?

Mr. Gardiner: I did not say we took those figures in order to set the prices at all. I said we calculated what the relationship was in those three years and took what the relationship is now as between what the farmer buys and what he sells. We found that a certain figure was a better price for the farmer than if we took that particular relationship. We gave him more. We did not give him that amount.

Mr. Charlton: The only thing I can say is that it seems extremely strange that this price now with the subsidy paid by the government seems to be halfway between the old price and the new price in the contract. The same is true of both bacon and cheese. It looks extremely suspicious, as if they just divided it and said "There, take that" and let it go.

Mr. Gardiner: We did not do that. I am not going to allow that to go unchallenged. We did not do that. As a matter of fact, what did happen was this. The British said, "We will not pay you any more than 25 cents for cheese. It does not make any difference what you think about it. You people can make up your minds whether you want to sell us any cheese at all or not. If you want to sell us cheese at 25 cents, all right, we will take it." They said the same thing with regard to hogs. They said, "We will take your Wiltshire sides at 29 cents but we will not give you any more." As a matter of fact, when one of the newspaper reporters tried to put a different interpretation on it, Sir Andrew Jones himself came out in the press and said that was true. He said they refused to give us any more. It was the highest price we could get from them. Then when they said that was the highest price they would give we figured out what the proper relationship was. I may as well be quite candid with the committee. I do not think the price of farm products is going up when they are higher in this country than they are in any other country in the world. As I say, we figured out what the proper relationship was and we gave the farmer a higher return because we had said when we brought in this legislation in the first place that for a while he ought to have more than that worked out to. When we found that it was more, we put it halfway in between. I may say that the price of hogs is $28.75 in Toronto today. If my friend gets a broad enough smile on, he will be able to smile away the fact that that is about $1.15 higher than the floor price is for hogs at $36 a hundredweight for Wiltshire sides.

Mr. Charlton: The minister has just admitted that they did as I a moment or two ago said they did. Here is another thing. The minister has suggested that prices are higher here than in any other country in the world. I should like him to compare the price of potatoes here, for instance, with the price of potatoes in the United States; and also the price of beef here with the price of beef in the United States.

Mr. Gardiner: I say on the products we are talking about, the products that we have had contracts for.

Mr. Charlton: The minister said "farm products".

Mr. Gardiner: We are talking about products for which we had contracts with Britain. There were never any contracts with Britain for potatoes. This is with regard to bacon, hogs, dairy products, cattle and so on.

Mr. Argue: The minister has quoted the price for hogs at Toronto—the prevailing price, so he says—to prove that the present price in Canada today is a certain amount above or below, I am not sure which, the present floor price. I can tell the minister that the price for B-1 hogs at Winnipeg on March 16 was $28.50 a hundredweight and the price in the week of March 18 a year ago was $29.10 a hundredweight. In other words, there has been a drop in hog prices of $2.50 this year as compared with last year.

I have here the wholesale prices of eggs in Saskatoon for the month of February of this year and the month of February of last year. The wholesale price for this year is 39 cents; the wholesale price last year was 44 cents a dozen. There has been a drop in the wholesale price of 5 cents a dozen. It is therefore clear that no matter what period the minister

has taken, and not for the purposes of establishing floor prices but merely for the purpose of checking, the fact is that there has been a substantial drop in the prices of these commodities at a time when farmers' costs have not gone down. For me at any rate it is not enough for the minister to say to this committee that he is going to check a certain set of figures and then the government is going to decide the floor. If the farmers of Canada want any security under this legislation, I think it needs to be written into that legislation, and we need a proper formula. I do not know what years the minister checked a year ago when he started to buy butter at 58½ cents a pound. I am wondering what years he is going to check this year when he sets the price, and if it is going to be a different set of years. I wonder if he thinks the cost of producing butter has gone down any, and I wonder if the floor price of butter is likely to drop within the next few days. I should like to ask the minister how long the floor price under hogs will be maintained, what the government hopes to do after the British contract expires in July, whether the government will endeavour to have new contracts signed after that date; and whether there is a contract signed or not, if the present support prices will continue for at least one year.

Mr. Gardiner: I do not know that I need to answer the questions just as they have been asked because if I did I would have to search out the occasions which suit the government least and to quote those prices. My friend quotes a price of 50 cents for eggs or 44 cents for eggs at a certain period. During 1946 the average price of eggs was 44·3 cents. He has stated that they were at that price at some particular time. The lowest price was 38·4 and the highest price was 50·5. You can, of course, take different periods in between there and compare them with some other time in some other year and get almost any result you like. In 1949 the average price was 56 cents; the low price was 42·3 and the high price was 71·5. There is therefore quite a wide range there. As a matter of fact, it was partly to take up that range that we set 38 cents right across the year as the floor price, thus making it possible for the consumers to get eggs throughout the year at a reasonable price whereas the farmers would get a reasonable price throughout the whole year and not a low price when production is up and a high price when production is down.

Then as to butter, the average price in 1945, which is the year we have been talking about, was 35·2; the low was 34·1 and the high was 36·5. In 1948 the three comparable figures were 67·8, 65·3 and 68·5. In 1949 the average price was 61, the low being 58 which was our floor, which covered the greater part of the year; and 68·5 was our ceiling which was the highest price that there was in the year. We had a ceiling at the beginning of last year. Those are figures which indicate that you do not get very much by making comparisons as between today and some other date at some other time. The fact is that these prices for hogs today in Canada are higher than the floor makes it necessary for someone to pay. But when you look at comparable prices in 1941, cheese was 16 cents; in 1946 it was 23·8; in 1948 it was 36·5; in 1949, it was 33 cents. That is still double what it was back at the time we started these different policies. As to hogs, the prices were $11.17, $15.86, $24.96 and $24.59. That is for live hogs. For cattle, the prices were $8.95, $13.89, $21.25. I do not know how anyone can argue that the farmer is getting poorer when his prices are improving in that way.

Mr. Charlton: Did I understand the minister to say, in the prices that he quoted, that eggs averaged somewhere near 44 cents, with a low of 42 cents and a high of 55 cents?

Mr. Gardiner: In what year?

Mr. Charlton: 1949.

Mr. Gardiner: In 1946, 44·3 cents with a low of 38·4 cents, and a high of 50·8 cents. In 1949, 56 cents was the average with a low of 42·3 cents and a high of 75 cents. Of course these prices are wholesale prices.

Mr. Charlton: How did the minister arrive at 38 cents as the floor price for eggs this year?

Mr. Gardiner: If the hon. member will take a look at the prices for the different years that we have been mentioning he will find that it is not very far out of line. In 1941 the average was 34·6 cents, with a low of 24·8 cents and a high of 50·6 cents. In 1946, which is the year after the period we are talking about, the average was 44·3 cents, with a low of 38·4 cents and a high of 50·8 cents. Thirty-eight cents was the floor price in the year 1946. But if you put the test to it that we have been putting to these others you will find that it works out just about the same as it does for the other produce.

Mr. Wright: This afternoon the minister read into the record the speech which he made in 1944 when the prices support act was passed in this house. In that speech he said that due regard would be had for certain losses which the farmers had sustained in the thirties, and during certain of the war years, in the setting of floor prices under the act. I would take it to mean that in the setting of floor prices the lowest floor price should be at least as high as the prices in the 1943-45 period if they are to compensate the farmers

for losses during the thirties and during the early years of the war, when the prices were on a level with other sections of our Canadian economy.

The minister has not stated whether in setting these floor prices these other considerations will be taken into account. I should like him to say whether he thinks the farmers have been compensated. Does he think that today, because of the prices they received during 1946, 1947 and 1948 or in 1948 and 1949, they have been compensated for any losses which they may have sustained in those earlier years? Does he intend to take that into consideration in setting floor prices from now on?

Mr. Gardiner: Under this act we set up a board to report to me from time to time what the situation is; and they report to me that up till now we are above that price in the returns that we are getting generally for farm products. I think it would be apparent to anyone who has been associated with agriculture that you may be able to pick out some particular product that for some period of time may be below, but the farmer on his return generally will be better off—and every farmer realizes that; I do not need to figure it out for him—now than he has ever been at any time. He knows that.

Resolution reported, read the second time and concurred in.

Mr. Gardiner thereupon moved for leave to introduce Bill No. 17, to amend the Agricultural Prices Support Act, 1944.

Motion agreed to and bill read the first time.

FISHERIES PRICES SUPPORT ACT

PROVISION FOR CONTINUATION IN FORCE

Hon. Alphonse Fournier (for the Minister of Fisheries) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to provide for the continuation in force of the Fisheries Prices Support Act, 1944.

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

Mr. MacNaught: Mr. Chairman, the purpose of the bill which will be introduced when this resolution passes is to place section 9 of the Fisheries Prices Support Act, 1944, on the same basis as the other sections of the act.

Section 12 of the act provided as follows:

Section 9 of this act shall come into force on a date to be fixed, and remain in force for such period as may be determined, by proclamation of the governor in council.

Section 9 of the act was accordingly brought into force on July 23, 1947, by proclamation of the governor in council. When this bill is enacted, section 9 will be placed in the same category as the other sections of the act.

Mr. Higgins: I should like to say a word in connection with this resolution. Yesterday, as reported at page 1004 of *Hansard*, the hon. member for Haldimand (Mr. Catherwood) asked what was the total consumption of margarine in Canada in 1949, and what percentage of the oils and other ingredients contained in margarine was imported. The answer given as to the consumption of margarine was 71,992,000 pounds, and that the utilization of oils and fats in margarine production during 1949 was 60,074,339 pounds, of which 44,814,521 pounds, or about 75 per cent, consisted of cottonseed, peanut, coconut, and palm kernel oils. The answer, however, states that these ingredients would be imported as raw product or refined oils. That means that these particular oils were being imported from the United States. What I want to bring to the attention of the parliamentary assistant is the fact that marine oils should be used. Marine oils have been used for a long time prior to this year. They are still in use, but for some reason or other the manufacturers of margarine desire to use these United States oils. The United States dollar situation is bad, but nevertheless these people are importing these oils and are paying United States dollars for them. I have referred to this matter before, but I do say, Mr. Chairman, that in view of the unemployment situation, not only as it affects the province of Newfoundland but the maritime provinces, and all of Canada, the use of marine oils should be made obligatory by the manufacturers of margarine.

In that connection I might add that the historic sealing voyage that was prosecuted in Newfoundland, and which the Secretary of State so ably described to a gathering in recent days, in former days by 31 ships, is prosecuted this year by only 4. The reason is that they cannot sell the seal oil. It is not my intention to delay the committee on this matter, but I would appreciate it if the parliamentary assistant would once again bring this matter to the attention of the minister. I feel it could be made a proviso, and would be as good as price support.

One other matter before I conclude what I have to say. I mentioned earlier the grave necessity, for the Newfoundland economy, of making available the conversion of sterling. In the last newspaper received from Newfoundland we find an account of a declaration made by the premier of Newfoundland in the legislature of that province on March 13. In that declaration he refers to a meeting held

in Ottawa between the officials of the fisheries board, the Minister of Fisheries and the Prime Minister. He named the people who were present representing the codfish association of Newfoundland, and pointed out that there were present members of parliament and senators from the salt codfish section of Newfoundland, Quebec, Prince Edward Island and New Brunswick.

I know that all the Newfoundland members, with the exception of my confrère from St. John's West, and myself, were present. We do not know what went on at that time. The statement in the press, however, suggests—and perhaps the Prime Minister, who is now in the chamber, might make some comment on this—what took place. The newspaper article states that the premier had said:

—that the problem was not one of markets but to find ways and means of obtaining payment for the fish.

He states that the whole situation was thoroughly threshed out at Ottawa. Describing further the conference which took place, he states that a special committee was appointed to represent the five provinces, and meetings were held between that committee and the Minister of Fisheries and his senior officials. Then the article quotes him as follows:

I had the honour to introduce the representatives of Nafel and the salt codfish association to the Right Hon. the Prime Minister of Canada, when the problem was discussed with frankness and sympathy.

I can say with assurance that we found both the Minister of Fisheries and the Prime Minister to be well-informed on the situation, and thoroughly up-to-date in their information. I can say with equal assurance that they fully appreciated the situation and that they gave ample evidence of possessing a strong desire to be helpful. We were all very favourably impressed.

The impression I gather from that is that the problems of the salt-codfishing industry of Newfoundland have been solved, at least for this year. Would it be fair to ask the Prime Minister if he could say anything in the matter?

Mr. St. Laurent: What I would have to say is that the hon. member's assumption goes farther than anything that I said would justify. I did not say that the codfish problem was solved. I did say that the very best efforts were going to be put forth to solve it, and that there was reason to expect that those efforts might bear fruit.

Mr. Higgins: I did not intend to convey the impression that the Prime Minister had said that. But the inference from the premier's statement was to that effect.

An hon. Member: No.

[Mr. MacNaught.]

Mr. Bryce: May I ask the parliamentary assistant if he can tell the committee how much money has been paid out under the Fisheries Prices Support Act since it went into operation, in each of the years. Would he also tell us how those expenditures have been divided as between the Atlantic coast, the prairies and the Pacific coast? Would he also tell us how the surplus was disposed of and how much money he was able to get from the disposal of that surplus.

Mr. MacNaught: I have not the information with me. However, I shall read the question in *Hansard* and have the information for the hon. member when we are in committee on the bill.

Mr. Bryce: That will be satisfactory.

Mr. Noseworthy: Is the government considering having the manufacturers of margarine use fish oils, whale and seal oils? I understand a representative of the department was in Toronto some weeks ago to discuss the matter with the margarine manufacturers, with a view to inducing them to use those oils in place of some of the vegetable oils they are now using. What was the result of that interview?

Mr. MacNaught: I am informed that all the seal oil for 1949 has been disposed of satisfactorily, and that it is too early in 1950 to make any estimate as to what we are going to do with the 1950 product.

Mr. Higgins: Is it not a fact that it was solved at such a late date that it has the effect of more or less making this a token seal fishery this year?

Mr. MacNaught: The information I have was that it was sold satisfactorily.

Mr. Higgins: But within the last three weeks.

Mr. MacNaught: Yes.

Resolution reported, read the second time and concurred in.

Mr. Fournier, Hull (for Mr. Mayhew) thereupon moved for leave to introduce Bill No. 54, to amend the Fisheries Prices Support Act, 1944.

Motion agreed to and bill read the first time.

NATIONAL DEFENCE

CONSOLIDATION AND REVISION OF EXISTING LEGISLATION—ORGANIZATION FOR DEFENCE—CODE OF SERVICE, DISCIPLINE, ETC.

Hon. Brooke Claxton (Minister of National Defence) moved that the house go into committee to consider the following resolution:

That it is expedient to present a bill to revise and consolidate in one act the several acts respecting

the Department of National Defence and the armed services of Canada, with provision *inter alia* for the payment of pay and allowances of officers and men of the forces, the salaries and expenses of members of the defence research board, fees and allowances of the members of the court martial appeal board, the compensation for loss or damage due to the exercise of emergency powers, advances to meet expenses and costs of calling out forces in aid of civil power, the acquisition and disposition of property and generally the costs of and incidental to the operation of the act, and all other matters directly concerning defence.

Mr. Pearkes: Would the minister make a statement now?

Mr. Claxton: Could we not have it in committee?

Mr. Pearkes: Very well.

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

Mr. Claxton: Mr. Chairman, the purpose of the national defence bill which will be introduced if the resolution is adopted is to modernize and consolidate in one statute all legislation respecting the Department of National Defence and the armed forces of Canada.

The bill is a further step in the announced purpose to unify and co-ordinate all of the defence forces of Canada.

The bill is also a further step towards the complete Canadianization of the armed forces of Canada. If this bill is passed, all provisions governing the armed services of Canada will, for the first time, be found in a statute enacted by the Canadian parliament representing the Canadian people.

In content the bill is the largest to be put before this house since the session of 1934. It contains 251 sections but these will replace over 600 sections in the seven statutes now applicable.

During the last session of parliament the bill was introduced in the other place where it was my privilege to give an explanation before it was referred to the committee on banking on the motion of the government leader. In that committee and in the house itself, the bill was carefully and fully considered and passed with certain amendments on December 8, 1949. Since the prorogation of parliament took place on December 10, 1949, it was impossible to proceed with the bill in this house but, as hon. members are aware, the very earliest opportunity has been taken of putting the bill before you. In addition, hon. members here, many of whom have had distinguished careers in the armed forces of Canada in one or both of the world wars, have had an opportuntiy of examining the bill as it was put before the other place.

As I indicated in the house last year, it is the intention of the government to refer the bill that will be introduced in consequence of this resolution, and also the other two defence bills, to a special committee. I hope this suggestion will appeal to hon. members of the house as obviously it is a measure which can be dealt with most effectively in that way. I am in the hands of the committee and I can go on and make a full statement, or I can do it on second reading.

Mr. Drew: Mr. Chairman, I did not want to interrupt the minister but I think perhaps it might be as well to consider a point that should be borne in mind and we should do our utmost to avoid a certain possibility arising. You will recall that a motion was dealt with in this house which asked for a committee to be set up to deal with the broad problem of defence. Then at a later time proposals were put forward in discussion and it was suggested that there be a committee to deal with the more limited aspect of the defence problems, and that the estimates be referred to that committee. Contrary to our request and fully conscious of what the effect of that would be, we urged that this should be dealt with—

The Deputy Chairman: I am sorry to interrupt—

Mr. Drew: Are you not prepared to listen to the rest of this?

The Deputy Chairman: Order. When the chairman rises it is the rule that the hon. member who has the floor must resume his seat. The chairman does not rise to his feet simply to interrupt an hon. member or for his own pleasure. There is a rule that provides that the member who has the floor should not be interrupted except for the purpose of raising a question of privilege or a point of order. In this case the leader of the opposition stood up and said that he was sorry to interrupt the minister who was speaking.

Some hon. Members: No.

The Deputy Chairman: One second, please. The minister sat down, indicating his willingness to listen to the remarks of the leader of the opposition. The leader of the opposition is talking about a matter which has been decided by the house by a vote and that vote stands as the judgment of the house. Later when the matter was brought up again there was an appeal from a ruling by the chairman which was confirmed by the house. I am quite willing to let the leader of the opposition continue the remarks he has started, but I want to warn him that we must not get into a discussion of a question which has been decided by the house.

Mr. Green: Mr. Chairman, are you ruling that because—

The Deputy Chairman: It is not a ruling. I am only warning that I do not want a repetition of the discussion of the other day. I said I was quite willing to permit the leader of the opposition to speak but I am warning him that he should not go into the question that was decided the other day by the house.

Mr. Drew: I have no thought of going into the subject. It is quite obvious that this will not come up for consideration tonight, but for the purpose of facilitating the consideration of what course should be followed I would point out that as a result of that unfortunate ruling the other night the minister should find some way in which this committee can be set up.

Mr. Claxton: I have indicated already that there will be no difficulty about setting up the committee if that is the wish of the house. I made the suggestion at the last session that we should have a committee specially set up to deal with this bill. I had indicated in the words which the leader of the opposition followed that it was the intention of the government to set up a committee to deal with this bill and with the other two bills dealing with defence. This is quite a different matter from anything the leader of the opposition had in mind.

Our thought is that just as soon as the resolutions relative to the three defence measures are adopted the bills will be distributed. Then on the occasion of their second reading I propose to move that they be referred to a special committee. I have indicated already that that is the procedure the government hopes to follow and I do not think the leader of the opposition or anyone else would like to object to that.

I am in the hands of the committee as to how far I should develop the exposition of the bills before us at this time. It seems to me that having one act to cover the defence forces of Canada, and which would bring up to date legislation which has been on the statute books since 1868, with few amendments, is something that would appeal to the common sense and good judgment of this house. That is the purpose of the legislation.

If it is the wish of hon. members, I can make a full statement at this stage, but it seems to me that the time for that would more properly be when the bills were before us and the intentions of the government made known. My suggestion to the committee is that the most sensible course to follow would be for me to postpone any more extended remarks until the bills have received first reading and are in the hands of hon. members in all parts of the house. Then tomorrow if the business of the house permits we could proceed with them in the most orderly way possible. If that were done then it would be my hope that in consequence of the discussion tomorrow it would be possible for us to set up the special committee to deal with these three bills in order that we could have these measures, which I regard as of great importance, dealt with by a committee of the house. I suggest that, because of their peculiar character, because they are rather technical—certainly two of them—that is much the most convenient way of dealing with them.

Mr. Pearkes: In view of the extreme importance of this resolution, I think the house would like to have a full explanation at this time. The minister appeared in the other place and gave a very full explanation to its members. I feel that members of this house would like to have the same full explanation now because many of them have not had an opportunity to see the bill.

Mr. Claxton: I shall be very glad indeed to respond to the invitation of the hon. member for Nanaimo.

Mr. Gillis: I should like to make a few remarks on the question of order. I agree with the chairman's ruling that the leader of the opposition was not in order in the remarks he made, but I also agree with the leader of the opposition as to the importance of setting up a defence committee. I do not agree with the hon. member for Nanaimo as to the resolutions to which the Minister of National Defence has referred at this time. I do not think that any long or detailed explanation is required. They merely involve technical changes in the pension set-up, military law and all that kind of thing. An explanation at this time would mean very little to us. So far as I am concerned I would be quite prepared to move the whole thing along as rapidly as possible to a committee so that we may have something done about it.

At the same time I do not want the Minister of National Defence to create the impression that the bills to be based on these resolutions, and which it is intended to refer to a committee of the house, have anything to do with matters of national defence. I think there is no more serious, urgent and important problem facing members of the house today than a competent committee to sit down with the Minister of National Defence, his advisers and everyone else concerned, and go into the whole matter of defence. Personally I often feel sorry for the minister. He supervises the army, navy, air force, atomic energy, everything that has to do with the defence of

Canada, and in a very threatening atmosphere. If I were he I would welcome handing over a lot of his responsibility to other members of the house rather than be the spokesman in the house, the apologist and the one who has to take it on the chin for a lot of people outside whom he knows very little about, or about what they are doing. He must accept their word for things.

The resolutions before us do not mean anything, so far as I am concerned. I am quite prepared to proceed, let them go through tonight, and get them to a committee where the technical details and changes in regulations and so forth can be looked after. Before the minister goes any further, I should like him to tell us whether it is the intention of the government in the foreseeable future to set up a committee of the house on the whole matter of national defence.

The Deputy Chairman: In view of the remarks made by the hon. member for Cape Breton South, does the hon. member for Nanaimo still insist on having a full statement?

Mr. Pearkes: I think the remarks made by the hon. member for Cape Breton South just illustrate the importance of a full explanation at this time.

The Deputy Chairman: Shall I call it eleven o'clock?

Mr. Claxton: Mr. Chairman, I appreciate the helpful remarks of the hon. member for Cape Breton South, and I should also like to meet the wish of the hon. member for Nanaimo. In view of the difference of opinion, I think perhaps the only possible course to follow is to make a statement on this resolution, and then look forward with hopefulness to the appointment of the committee about which I have spoken, not the one to which the hon. member for Cape Breton South has referred, to deal with these bills as soon as possible.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow we will take up first the resolution in the name of the Minister of Finance to amend the Transitional Measures Act, 1947. Then we will discuss the motion to set up a committee on old age security, and then the motion to refer the estimates of the Department of External Affairs to the standing committee on external affairs. We also hope to pass motions Nos. 4 and 12 on today's order paper.

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

HOUSE OF COMMONS

Friday, March 24, 1950

The house met at three o'clock.

HOUSE OF COMMONS

VISITORS IN GALLERY—PORCUPINE COMBINES JUNIOR HOCKEY TEAM

Mr. Karl A. Eyre (Timmins): I rise on a question of privilege, Mr. Speaker. I should like to take this opportunity to bring to the attention of the house the fact that sitting here in the south gallery are eighteen members of the Porcupine Combines junior hockey team and their executive. They are the junior champions of northern Ontario. Sixteen of these boys were born, raised and educated in Timmins and the north country. For seventeen of them this is their first trip to Ottawa, and naturally their first trip to see the parliament of Canada. I hope that they take home with them a good impression.

Mr. Graydon: They look like Progressive Conservatives.

ANSWER TO QUESTION AS TO TABLING OF STATUTORY REPORTS

Right Hon. L. S. St. Laurent (Prime Minister): I have been informed, Mr. Speaker, and through you I should like to pass the information on to the hon. member for Winnipeg North Centre (Mr. Knowles), that all reports have now been tabled. I have been handed a copy of the printed list made up under standing order 84, and opposite each item there has been written in the date when the report was tabled, or the comment "nil", which I am told means that there is no report under that heading.

Mr. Fleming: Will it be printed in today's *Hansard* for convenience of reference by hon. members?

Mr. St. Laurent: It consists of fifteen pages.

Mr. Fleming: It would be convenient for hon. members to have it.

Mr. Abbott: It costs money, too.

Mr. St. Laurent: I will get a copy for the hon. member.

Mr. Knowles: Don't forget one for me.

RAILWAYS AND SHIPPING

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. H. B. McCulloch (Pictou) presented the first report of the special committee on railways and shipping, and moved that the report be concurred in.

Motion agreed to.

TRANS-CANADA AIR LINES

REFERENCE OF ANNUAL REPORT AND AUDITORS' REPORT TO RAILWAYS AND SHIPPING COMMITTEE

Right Hon. C. D. Howe (Minister of Trade and Commerce): I desire to lay on the table the following reports in English and in French: Annual report of Trans-Canada Air Lines for the year ended December 31, 1949, and the auditors' report to parliament for the year ended December 31, 1949, in respect of Trans-Canada Air Lines. These reports are being distributed today.

By leave of the house I move:

That the annual report of Trans-Canada Air Lines for the year ended December 31, 1949, and the auditors' report to parliament for the year ended December 31, 1949, in respect of Trans-Canada Air Lines, tabled this day, be referred to the sessional committee on railways and shipping owned, operated and controlled by the government.

Motion agreed to.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, March 24, 1950

Sir:

I have the honour to inform you that the Right Honourable Thibaudeau Rinfret, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, Friday, the 24th March, at 5.45 p.m., for the purpose of giving the royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
J. F. Delaute
Assistant Secretary to the Governor General

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 18, for the relief of Doris Joan Guest Rigg.—Mr. Winkler.

Private Bills—Divorce

Bill No. 19, for the relief of Cora Elizabeth Jamieson Southam.—Mr. Winkler.

Bill No. 20, for the relief of Audrey Brenda Holmes Burnett.—Mr. Winkler.

Bill No. 21, for the relief of Barbara Edna Brownrigg Johnson.—Mr. Winkler.

Bill No. 22, for the relief of Aili Katriina Salokannel Martel.—Mr. Winkler.

Bill No. 23, for the relief of Velma Elizabeth Buchanan Lowson.—Mr. Winkler.

Bill No. 24, for the relief of Gladys Harriet Hassall Thom.—Mr. Winkler.

Bill No. 25, for the relief of Elisabeth Mavis Cann Jousse.—Mr. Winkler.

Bill No. 26, for the relief of Eric Lacate.—Mr. Winkler.

Bill No. 27, for the relief of Dorothy Margaret May Harris McCormick.—Mr. Winkler.

Bill No. 28, for the relief of Sigrid Denston Day.—Mr. Winkler.

Bill No. 29, for the relief of Beatrice Campbell McClay.—Mr. Winkler.

Bill No. 30, for the relief of Catherine C. Goodrow Rogers.—Mr. Winkler.

Bill No. 31, for the relief of Miriam Roberta Weir Caryer.—Mr. Winkler.

Bill No. 32, for the relief of Marjorie Frances Murphy Cozzolino.—Mr. Winkler.

Bill No. 33, for the relief of Mary Thomson Cadieux.—Mr. Winkler.

Bill No. 34, for the relief of Veronica Pearl Faulkner MacKenzie.—Mr. Winkler.

Bill No. 35, for the relief of Elizabeth Hampshier Atyon Reilley.—Mr. Winkler.

Bill No. 36, for the relief of Sybil Elliott Karr Boulanger.—Mr. Winkler.

Bill No. 37, for the relief of Mary Kennedy Dunn Anderson.—Mr. Winkler.

Bill No. 38, for the relief of Albert Ernest Curtis.—Mr. Winkler.

Bill No. 39, for the relief of Annie Swales Barber.—Mr. Winkler.

Bill No. 40, for the relief of Rebecca Catherine Pitts Duquette.—Mr. Winkler.

Bill No. 41, for the relief of Edith Mary Stone Ryan.—Mr. Winkler.

Bill No. 42, for the relief of Pearl Greenspan Abramovitz.—Mr. Winkler.

Bill No. 43, for the relief of Harry Rudner.—Mr. Winkler.

Bill No. 44, for the relief of Dorothea Joan Lawrence Gamble.—Mr. Winkler.

Bill No. 45, for the relief of Walter St. Andre Bawn.—Mr. Winkler.

Bill No. 46, for the relief of Alison Hamilton Brown Weldon.—Mr. Winkler.

Bill No. 47, for the relief of Hazel May Wilkie MacLeod.—Mr. Winkler.

Bill No. 48, for the relief of William Gordon Cascadden.—Mr. Winkler.

Bill No. 49, for the relief of Romeo Lefebvre.—Mr. Winkler.

[Mr. Speaker.]

Bill No. 50, for the relief of Kathleen Veronica Thompson Davidson.—Mr. Winkler.

Bill No. 51, for the relief of Joseph Arthur Winsorlow Brisebois.—Mr. Winkler.

Bill No. 52, for the relief of Margaret May Tuck Reicker.—Mr. Winkler.

Bill No. 53, for the relief of Mabel Kearley Budgell.—Mr. Winkler.

SPRING STILETTOS

REQUEST OF TORONTO CITY COUNCIL FOR BAN ON IMPORTATION

On the orders of the day:

Mr. C. J. Henry (Rosedale): Mr. Speaker, I should like to direct a question to the Minister of Justice. Is it a fact that Toronto city council has requested the Minister of Justice to take steps to ban the importation of certain stilettos, or spring knives, on the ground that such stilettos or knives are offensive weapons and not likely to serve any useful purpose? What action, if any, has been taken by the government in connection with the matter?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I thank my hon. friend for giving me notice of his question. The answer to the first question is yes. As to the second question, I think that having regard to the fact that the request came as a letter from the city clerk of Toronto, I should simply read into the record the reply which I sent to that gentleman. My letter to him reads as follows:

> Thank you for your letter of March 8 advising me that your city council at its meeting held on March 6, 1950, decided to request us to consider the placing of a ban on the importation of "spring knives or stilettos" on the grounds that they are considered offensive weapons.
>
> I understand that what you are referring to by the term "spring knife or stiletto" is an article which is known as a spring stiletto. This weapon is similar to a spring knife except that it has no cutting edge, the blade when open being 3¼ to 4 inches in length. Mr. L. H. Taylor, the secretary of customs, informs us that stilettos are refused entry into Canada by virtue of an order in council passed under the Customs Act prohibiting the importation of certain offensive weapons without a permit, and no permit is given for stilettos, including stilettos of the spring type such as the one referred to in your letter.

ROYAL CANADIAN AIR FORCE

INQUIRY AS TO PROSPECTIVE DELIVERY OF FOUR-ENGINE TRANSPORT AIRCRAFT

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): I wish to direct a question to the Minister of National Defence of which I have given him notice. In view of today's press reports, quoting a statement of the Minister of National Defence in regard to

the new four-engine prototype transport aircraft which is to be delivered shortly to the Royal Canadian Air Force, will the minister inform the House of Commons as to the date on which the Canadian Commercial Corporation was advised that the Royal Canadian Air Force required this aircraft?

Hon. Brooke Claxton (Minister of National Defence): As the leader of the opposition has said, he was good enough to give me notice of the question, but I happened to be at a meeting until a very late hour this morning, and I was not able to obtain the information that he desires. However, I can tell him that this aircraft was ordered to replace a North Star aircraft that was lent to Trans-Canada Air Lines, in consideration of a rent, in June, 1947. That aircraft was destroyed while in operation with T.C.A. on August 12, 1948. There was only one possible source from which to replace the aircraft, namely, Canadair Limited, from which it had been obtained, and which had the jigs and designs and so on. Negotiations continued steadily with regard to that aircraft. I have not been able to verify the exact date on which the Canadian Commercial Corporation was advised that we would want the aircraft replaced by Canadair, but certainly it would have been shortly after the date of destruction, because there was only one source of supply.

While I am speaking on this subject I should add that the press reports which appeared yesterday, and resulted in my making a release myself, follow an announcement which referred to this matter on May 18, 1949.

Mr. Drew: In view of the answer given by the minister, will he arrange that I be notified of the date, when he is able to obtain it?

Mr. Claxton: The Minister of Trade and Commerce, who is responsible for Canadian Commercial Corporation, will, I am sure, be glad to give that information on Monday.

Mr. Graydon: This is the first time anyone has ever spoken on behalf of the Minister of Trade and Commerce.

INCOME TAX

ALLOWANCE OF TRADE UNION DUES AS DEDUCTION FROM TAXABLE INCOME

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Finance. Before the budget is brought down on Tuesday of next week, will the government reconsider the matter of allowing trade union dues as a deduction for income tax purposes?

Mr. Bradette: Why?

Hon. Douglas Abbott (Minister of Finance): The government will be giving consideration to many matters before the budget is brought down on Tuesday, and no doubt this one can be included in that consideration.

LABOUR CONDITIONS

QUESTION WITH RESPECT TO COAL CONTRACTS IN ALBERTA

On the orders of the day:

Mr. C. E. Johnston (Bow River): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. I have received a telegram from the miners' union of Drumheller, Alberta, stating that the loss of coal contracts is creating an extremely serious—

Mr. Speaker: Order. There is a rule in the house that telegrams must not be read when a question is being asked before the orders of the day are called.

Mr. Johnston: Can the minister tell the house what policy the government has in mind, if any, to relieve this very serious unemployment situation?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I am not aware of any serious situation. There was a good deal of talk a month or so ago about the serious shortage of coal in western Canada. I have not been advised of any surplus production going unwanted. However, I shall be glad to look into the matter.

NEWFOUNDLAND

DOMINION-PROVINCIAL TAX AGREEMENT

On the orders of the day:

Mr. W. J. Browne (St. John's West): I should like to ask a question of the Minister of Finance. What is the situation in regard to the tax agreement with Newfoundland?

Hon. Douglas Abbott (Minister of Finance): I returned to the city only at noon today, and I am afraid I cannot give the most up-to-date information. The last information I had, however, was that they were on the eve of complete agreement. There were some technical details to be arranged. However, so far as I am aware, it will be completed shortly.

OIL AND GAS

QUESTION AS TO EXPORT TO THE UNITED STATES

On the orders of the day:

Mr. T. H. Goode (Burnaby-Richmond): Mr. Speaker, I should like to ask a question of the Minister of Trade and Commerce. The Vancouver *Sun* in an editorial of March 22, headed "British Columbia betrayed"—

Some hon. Members: Order.

Mr. Speaker: Order. I am afraid the rule must apply to the hon. member who has the floor, as it applied to the hon. member who spoke previously. Telegrams or newspapers must not be read when asking questions before the orders of the day are called.

Mr. Goode: There is a feeling in British Columbia that there have been discussions between the government and United States interests regarding the disposition of natural gas. Have there been any discussions in this regard?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I know of no discussions having to do with the export of natural gas to the United States in return for the export of natural gas from the United States to any other part of Canada. I can say positively that no such discussions have taken place.

NATIONAL DEFENCE

TRANSFER OF ARMY PERSONNEL—HOUSING ACCOMMODATION

On the orders of the day:

Mr. J. H. Ferguson (Simcoe North): I should like to ask a question of the Minister of National Defence. Almost a month ago I asked whether any relief was to be given to members of the army who were ordered to report for duty in the capital city of Ottawa. I asked whether they would be receiving relief because of the exorbitant rents they are now being compelled to pay when they arrive here with their families. I have received no reply to my question. This is a serious matter—

Some hon. Members: Order.

Mr. Ferguson: I would interject this one point: One young member of the army—

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member has asked his question.

Mr. Ferguson: Will something be done immediately by the Department of National Defence to aid members of the army in the matter of accommodation when they are ordered to report to Ottawa for duty, so that they will not have to spend about $700—

Some hon. Members: Order.

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, I have nothing to add to the rather complete answer the hon. member received when he asked the question the first time.

WHEAT

ANSWER TO QUESTION AS TO MAKING CHURCHILL A DELIVERY POINT UNDER INTERNATIONAL AGREEMENT

On the orders of the day:

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, yesterday the hon. member for Melfort (Mr. Wright) asked me a question with reference to the port of Churchill and its status as a basing point under the international wheat agreement. I have now obtained particulars from our representative at the international wheat conference in London. The port of Churchill is not a base point under the international wheat agreement, but arrangements have been made with the international wheat council that will enable Canada to utilize this port.

The arrangements are covered by resolutions passed at the twenty-third meeting of the executive committee held in London on January 31, 1950. The resolution adopted reads as follows:

> That No. 1 Manitoba northern wheat in store port Churchill, Manitoba, be designated a description of wheat under article 6, paragraph 4, and that the advisory committee on price equivalents be requested to advise the executive committee on appropriate maximum and minimum price equivalents for such description of wheat, it being understood that if Canada is requested to deliver wheat at maximum prices and/or if Canada requests importing countries to accept wheat at minimum prices the Fort William-Port Arthur prices basis should apply.

In accordance with this resolution Canada may negotiate and complete sales under the international wheat agreement for Churchill shipment at prices in line with c.i.f. prices at destination as compared with St. Lawrence shipment. If such sales can be made, Canada would secure the advantage of cheaper overall forwarding costs as the result of using this port. However, if Canada is called upon for wheat at the international wheat agreement maximum price or desires to put wheat at the international wheat agreement minimum price, we can only deliver wheat from Churchill at the Fort William-Port Arthur basic maximum or minimum prices as set out in the agreement.

Mr. Smith (Calgary West): Very simple, isn't it!

TRANSITIONAL MEASURES ACT, 1947

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

Hon. Douglas Abbott (Minister of Finance) moved that the house go into committee to consider the following resolution:

> That it is expedient to present a measure to amend the Continuation of Transitional Measures Act, 1947, to provide that the act shall expire on the 30th day of April, 1951.

Mr. Drew: Explanation?

Mr. Fleming: Is the minister going to make a statement?

Mr. Abbott: Now, or in committee?

Mr. Drew: Now.

Mr. Abbott: Mr. Speaker, the bill to be founded upon this resolution is a comparatively simple one. It will provide for the extension of the Continuation of Transitional Measures Act until April 30, 1951—that is, for thirteen months beyond the present expiry date.

While no other change is proposed, I should state that during the past year all the orders contained in the schedule to the act have been revoked except those relating to price and rent control. The government does not intend to invoke the limited powers now granted by the act to reimpose controls already lifted. Therefore the practical effect of the proposed bill is to continue the authority to control rentals only, for a further period. Thus we have arrived at the final stage in the difficult task of removing in an orderly way the controls introduced during the wartime emergency.

As the house is aware, the supreme court, by unanimous decision, has given its opinion that the wartime leasehold regulations are valid. I shall not refer at length to the reasons given by the distinguished members of the court in support of their opinion. I do wish, however, to draw particular attention to one general theme that is common to all of them, and for that purpose I shall quote from the opinion written by the chief justice:

> There is no doubt that under normal conditions the subject matter of rents belongs to the provincial jurisdiction under the head of property and civil rights, in section 92 of the British North America Act. There is equally no doubt that under abnormal conditions, such as the existence of war, parliament may competently assume jurisdiction over rents. The fact is that, as a consequence of the last war, 1939-1945, parliament has taken over the control of rents. The Fort Frances case supra is authority for the proposition that, notwithstanding the cessation of hostilities, parliament is empowered to continue the control of rents for the purpose of concluding matters then pending, and of its discontinuance in an orderly manner, as the emergency permits, of measures adopted during and by reason of the emergency. It follows from the different orders in council and acts of parliament, recited in the order of reference, that the exceptional conditions brought about by war, which made the wartime leasehold regulations necessary, are still continuing, that the orderly transition from war to peace has not yet been completed, and that, in such circumstances, parliament is entitled and empowered to maintain such control as it finds necessary to ensure the orderly transition from war to peace. The judgments of the judicial committee of the privy council in the Fort Frances case supra and in Co-operative Committee on Japanese Canadians *v.* Attorney General for Canada (1947) A.C., 87, are conclusive on this point.

Then, after referring to the chemicals reference, the chief justice concluded:

> In this instance, parliament has decided that the wartime leasehold regulations should be kept in force to a limited extent and to that extent, where necessary or advisable, to ensure an orderly transition from war to peace; and that, if they were abandoned abruptly and suddenly, unnecessary disruption would result.
>
> There is nothing in the facts in the order of reference which would justify this court in deciding otherwise and thus supersede the opinion of parliament; and, in the circumstances, this court may not doubt that parliament may competently maintain the regulations it has adopted to meet the emergency and its continuance. Therefore, the wartime leasehold regulations are not ultra vires either in whole or in part.

With some differences in emphasis and point of view, all the other justices make the same point, that the court would require strong evidence, which was not forthcoming, to justify it in superseding the declared opinion of parliament.

While this unanimous opinion enables the government to proceed with confidence in asking parliament to renew the authority for rent control for a further period, it does not in any way alter the declared policy of the government to bring federal rent control to an end with the least possible delay. Time after time, and on every possible occasion, this policy has been made clear and, as the house will recall, fairly substantial further relaxation of rent control was in fact announced simultaneously with the reference to the supreme court.

The government considers that it should not ask parliament to continue its emergency authority any longer than is absolutely necessary. These are extraordinary powers and they should be exercised with great discretion. As the chief justice has said, "There is no doubt that under normal conditions the subject matter of rents belongs to the provincial jurisdiction under the head of property and civil rights, in section 92 of the British North America Act." The federal government has never disputed this, and has in fact, over the past two years, offered to vacate the field to any province that desired to assume responsibility; and one province, Saskatchewan, has already arranged to take over on April 1, 1950.

For these reasons, the government does not intend to ask for a further extension of the Continuation of Transitional Measures Act beyond April 30, 1951. It is the government's view that over the next thirteen months the operation of the relaxations now in effect, combined with additions to the housing supply, will have permitted enough adjustment to take place so that any problem

which may remain can be dealt with adequately—and with closer regard to local conditions and needs—on a provincial basis.

The house will appreciate that it is not usual for a government to give notice so long in advance as to its intentions respecting future legislation, but the government has decided to do so in this case in order that any province which may consider it desirable to assume some measure of rent control may have ample time to take such steps as may be deemed appropriate.

The date—April 30, 1951—has been selected because it coincides with the earliest expiration date of the leases entered into in return for the eighteen and twenty-two per cent increases permitted a few months ago. Incidentally, hon. members may be interested to learn that from reports of rental officials in the field it is estimated that seventy-five per cent of landlords of self-contained accommodation took advantage of the permission to obtain an increased rental in return for a lease expiring not earlier than April 30, 1951. Not all of their owners, of course, could or did raise rents to the full extent permitted. I mention this high percentage of leases because it shows that if the supreme court had found the federal regulations to be invalid, a very high proportion of tenants would have had secure tenure in their present dwellings for more than a year regardless of any action taken by the provinces.

Notwithstanding this further extension of federal rent control, I wish to make it perfectly clear, so that there can be no misunderstanding of the position, that the government does not now, nor has it at any time, disputed the right of any province to enact legislation dealing with rent control, and that it stands ready to withdraw the federal regulations in any province the government of which makes a formal request to that effect.

If any provincial government believes that it could administer rent control more equitably or more efficiently, the federal government will be pleased to withdraw its regulations in that province on a date to be fixed by the province, thus removing any possible conflict of laws. In addition, subject to parliamentary approval, the government is ready to continue its previous offer to pay the cost of provincial rent control for one year beginning not later than April 1, 1950, up to an amount equal to the cost of federal rent control in that province during a recent twelve-month period to be agreed upon.

Before I sit down, perhaps I should say a word as to the policy to be followed in the administration of rent control during the remaining thirteen months before the federal regulations finally expire. In previous years I would have been most reluctant to say anything more than that the policy of orderly and gradual decontrol would be continued. Since only thirteen months remain, however, at the end of which time some provinces may wish to assume some measure of local rent control, it has been decided that no further adjustments will be made in rental ceilings or in the conditions affecting security of tenure, except in individual cases as permitted under the regulations as they now stand, or minor amendments to the regulations that may be found necessary. In short, there will be a standstill in rent control. The process of decontrol will, however, continue, as dwellings become vacant and thus free from control and as landlords who have not already done so, take advantage of permission to enter into yearly leases in return for higher rents.

[Mr. Abbott.]

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, the matter now before the house relates not only to the principle of rent control but also to the way in which rent control will be carried on. The fact that the Supreme Court of Canada found that it is not ultra vires of the power of the Canadian parliament to exercise a continuing measure of rent control does not dispose of the question whether rent control can best be dealt with by arbitrary powers that are undefined, or by an act of the parliament of Canada which will clearly establish the legal rights of both tenants and landlords.

I do not think that many, if any, hon. members will seriously question the claim that during a state of emergency such as war there are many things that must be dealt with in a way that would not be acceptable in time of peace under our principles of parliamentary supremacy and responsible government. The fact that during a period of war emergency powers were invoked to cover a very wide field of activities of the people of Canada in their daily lives is no argument in favour of carrying that device forward into the years of peace, even though there is good reason to exercise controls over some of the same subject matters that were under consideration at that time.

During the war years and the years immediately after the war a wide measure of control was exercised by parliament and by the government as the executive branch of parliament. The Transitional Measures Act of 1947 was, as the name implies, intended to carry forward certain wartime controls through the transitional period from war to peace. Now we have reached the point where it is intended to carry forward only the controls over rent, the other emergency powers having been allowed to lapse. The question arises, then, whether the further

control of rents should be under emergency powers of this kind, or under an act of parliament which will state in clear and explicit terms exactly what the rights are of those who would be affected by its provisions.

This question is not being raised today for the first time. Last year the same measure was before the house. At that time there was some discussion relating to the course which would best meet our requirements, but the consideration which was given then did not relate to rent control alone. It related to the broader field of the transitional powers that were being carried forward at that time. The record will show we strongly urged that a bill should be introduced dealing with each of the subjects that the government of Canada thought should be dealt with under continuing measures of control. We pointed out that if the emergency powers could be carried forward in their existing form it was equally within the powers of parliament to enact legislation which would define the rights of those affected. It was contended that under the emergency powers the rights of tenants as well as landlords were not clearly defined, and that no one who would be affected by the continuing emergency powers could know definitely in advance what decision might be made.

On behalf of the party which I lead I urged a year ago that a bill should be introduced dealing with rent control, and that if such a bill were introduced it would receive the support of those sitting on this side of the house. I went so far as to express my own belief that a bill which properly defined the rights of tenants, landlords and all others affected, and provided a just measure of control, would receive the support of everyone in the house. Of course I was not in a position to speak on behalf of all hon. members. I still believe, however, that if a measure that fully protected the rights of tenants, landlords and all others concerned had been introduced at that time, it would have received support throughout the whole house.

Since that discussion took place a year ago we have received convincing evidence that there was reason to express concern about these loose and undefined powers exercised arbitrarily at the discretion of the government by order in council, without considering the views of members of parliament. I am not suggesting of course that the government exceeded the powers which were conferred upon it by the extension of the emergency powers dealt with under the Continuation of Transitional Measures Act, which was extended last year. Then there was the substantial extension of rentals under the regulations which were announced in this house by the Minister of Finance last November. It will be recalled that at that time there was an increase of from twenty to twenty-five per cent in many rents, but the basic increase over a very broad field was twenty-two per cent. It is true that the increase was a permissive one, but it is also equally true that when landlords receive such permission it is in keeping with human nature that they should avail themselves of the invitation thus extended by the government. Whether there was any suggestion of justification or otherwise, that was the result. Therefore, by a measure which did not express the opinion of the house or of the parliament of Canada, rentals in Canada were greatly increased.

The war ended in 1945; this is 1950. There can be no reason for continuing rent control under arbitrary measures of this kind during the thirteen months which will be covered by the present extension suggested by the government. We certainly have now reached the stage of return to the ordinary peacetime procedure of parliament, when any measure of control affecting the daily lives of a large percentage of our people should be under a law of parliament enabling any Canadian to say: This is my right, and the courts of the land will protect me under that law. There is no sound argument in favour of the continuation of these emergency powers in this form. There is every argument in favour of the introduction, between now and the 31st of March, of a rent control bill which will deal fairly and justly with the rights of Canadians who will be affected by this legislation. I am confident that, entirely apart from any consideration of party point of view, any legislation which is just and affords proper protection to those affected, and which is enforceable by our courts under clearly defined terms, will receive the support of most members of the house.

If these emergency powers are extended in this way, there can be no assurance whatever that, without any advance knowledge on the part of hon. members who have been elected to carry on the business of the people of Canada, further orders may not be announced which will create additional hardship on many people throughout this country.

Mr. Abbott: Except the assurance the minister just gave.

Mr. Drew: And what assurance was that?

Mr. Abbott: Shall I read it?

Mr. Drew: I should like to know what assurance the minister gave that is any different than the assurance he gave last year, except as to the discontinuance of controls.

Mr. Abbott: I am afraid my hon. friend was not listening very closely. I said:

> Before I sit down, perhaps I should say a word as to the policy to be followed in the administration of rent control during the remaining thirteen months before the federal regulations finally expire. In previous years I would have been most reluctant to say anything more than that the policy of orderly and gradual decontrol would be continued. Since only thirteen months remain, however, at the end of which time some provinces may wish to assume some measure of local rent control, it has been decided that no further adjustments will be made in rental ceilings or in the conditions affecting security of tenure, except in individual cases as permitted under the regulations as they now stand, or minor amendments to the regulations that may be found necessary.

Mr. Drew: I was fully aware of what the minister said, but we have had too many examples of what can be done under those exceptions to be in any doubt as to whether or not the government would avail itself of them to the widest possible extent if in its discretion it decided it was wise to do so. That, after all, is not suggesting that the Minister of Finance is not seeking to convey to us in good faith his own appreciation of the situation. Without repeating to an extent that may seem to many hon. members an excessive return to the same subject, may I point out that a government that is able to stretch its conscience as it did in the suppression of the combines report is not a government that should be entrusted with this arbitrary power.

We have to remember that when these things are done we cannot even find out the basis on which that action is taken. To go back to the combines report, which establishes a pattern in other cases, we have to remember that the Minister of Justice (Mr. Garson) has informed us of those cases in which he received advice to prosecute; but in the case where he is not prosecuting he refuses to tell us what the advice was. There is not an hon. member of this house who does not know that if the minister had received advice not to prosecute, that would have been one of the first explanations we would have been given. So we can all draw the conclusion, which I am sure is the right one, that he received a report recommending prosecution, and there is no other reason why he has not told us.

What I am pointing out right now is that a government which will follow that pattern in relation to a matter affecting the daily bread of the people of Canada will avail itself of the widest possible interpretation of every exception, such as those which have been just stated, if in its judgment it thinks some change should be made with respect to controls of this kind. I recall very well that last year the Minister of Finance, under whom this arbitrary authority is exercised, was unwilling to listen to any argument in regard to a change in procedure, but I suggest that he might still give consideration to a return to ordinary parliamentary procedure in this fifth year after the war and place before parliament a rent control bill which will contain in statutory form the assurance he has just given. If it is in fact the intention of the government that there shall be no change in the rental ceilings or in the regulations as they now stand, the simplest way to remove from the minds of hon. members of this house the slightest suspicion that advantage may be taken of this exception would be to incorporate these provisions in a bill which when passed will become the law of the land and be binding upon the courts as well as the government.

As to whether those measures in themselves would be adequate and satisfactory, that would depend upon the way in which they were set out in statutory form. Surely, however, if it is the intention of the government to allow no change in the levels now established, if it is the intention of the government to prevent further rental increases, that can be simply stated in a bill which could be quickly drafted and presented to this house for consideration. What we are doing now is carrying forward wide, loose and arbitrary powers under which no Canadian affected by them knows what will be the situation. The minister says: Oh, you have my assurance, with qualifications. No matter how much we may be prepared to accept that assurance in its exact terms, we must remember that the government as a whole is in a position to decide, and that in certain cases the government as a whole in making decisions has availed itself of every latitude offered by the qualifications previously expressed.

I do not think the government would have any difficulty drafting such a bill. Every hon. member who has been in this house during the discussion of this important subject recalls the number of times the government has stated that it would be an easy thing for the provinces to deal with. I cannot believe this government feels that the provincial governments are so superior in intelligence that they could draft rent control bills which it would be beyond the competence of this government to present to this house. The very fact that they believe the provinces could deal with this question so readily is surely the best evidence that they believe it could be dealt with by a bill, because it must be remembered that the provincial governments could not deal with it by any arbitrary measure of this kind. They could deal with it only under a bill passed by the legislature.

Therefore, Mr. Speaker, once again I urge upon the government the importance, not only from the point of view of security in the minds of those affected but also from the point of view of returning to sound parliamentary procedure, of not continuing this emergency power, but of the government presenting to this house immediately a clear, understandable and workable rent control bill.

Mr. J. W. Noseworthy (York South): Mr. Speaker, the resolution before us today, notwithstanding what we have just heard from the leader of the opposition (Mr. Drew), I am sure will find a great deal of support in this house. The fact that it is sponsored by the Minister of Finance (Mr. Abbott) will assure its passage here, regardless of the merit of the resolution itself. The circumstances leading up to the introduction of this resolution have created a great deal of public interest in the country.

There is today a great deal of public interest in both the resolution itself and the bill that will follow it. The bill that will follow this resolution will mark the culmination of the government's policy of wartime controls. All that is now left of those government controls is this little bit of rent control, a sort of relic of the former controls that were exercised under the Transitional Measures Act in the years since the war. One might question whether there is enough rent control left in Canada today to warrant all the trouble the government has gone to in order to establish its right to maintain that rent control. One might question whether this anaemic control will even outlive the next twelve-month period. As hon. members know, all the newer buildings which have been built since January 1, 1947, and all the newly-occupied houses and apartments since November 1, 1948, are already decontrolled and are unaffected by this resolution or the bill that will follow it.

Following on that was, of course, the government's permission for the increase of rents granted last fall which has already raised rents to just about all that the traffic can stand. There is not much particular merit in the statement made by the minister in his speech, giving the assurance that there would be no further changes in rents or no further increases during the coming year, since rents have already gone beyond the economic ability to pay of most people who rent homes.

Even though this bill may not mean much to the people of Canada and even though its passage is assured by the large government majority back of the Minister of Finance (Mr. Abbott), I still think that something should be said with regard to the condition of rental housing at the present time. First of all, I should like to register again my protest, and that of the party to which I belong, against the government's callous indifference to and utter disregard of the problem which hundreds of thousands of tenants across Canada are called upon to meet as a result of the government's increased-rental order that was made last fall. The government have shown a flagrant disregard of the problems of these people who, in such large numbers, placed their confidence in them in June, 1949.

There is today an acute housing shortage. I am going to assume, Mr. Speaker, that one cannot very well talk about rent without talking about houses, since it is with the rental of houses that we are concerned in this resolution and the bill that will follow it. There is nothing that the government has done for housing during the last four or five years which can be considered as being particularly creditable. Today the housing shortage is more acute in Canada that it has ever been in our history. On January 1, 1946, the backlog of housing units needed at that time was given officially as 648,000. In 1946, 1947, and 1948 fewer houses were built each year than were required to meet the current need or to keep up with the current demand; 1949 is the first year in which the number of houses built exceeded the current need for that particular year. Whereas there was a backlog of 648,000 houses needed on January 1, 1946, there was on January 1, 1950, a backlog of 711,000. In other words there has been an increase of nearly 10 per cent since 1946. The general housing shortage is more acute today than it was four years ago. The backlog is greater than it was four years ago. The deficit is worse than it was four years ago. Overcrowding, particularly in our large cities, is worse than it was four years ago or at any other time in our history. Slums and substandard housing have scarcely been touched during those years. The Central Mortgage and Housing Corporation, in a brief submitted to the Massey commission last September, makes this statement:

> The housing needs of the Canadian people have never been more critical than they are today.

If I may, I should like to review briefly the government's record in this respect because it is the government's failure over the years to meet the need that renders it necessary today for the minister to introduce the resolution that is now before us. The National Housing Act was first introduced in 1938. We were told then that its purpose was twofold: first, to provide home ownership through long-term federal loans at a low interest rate; and second, to provide homes for low income families through loans made to municipalities so that they might enter the field of building low-cost rental housing.

In the first three and a half years during which that National Housing Act was on our statute books, and at a time when there was a backlog of 500,000 houses needed, a sum total of 15,000 loans were made. Just think of it: 15,000 loans made to meet a backlog of housing units which at that time was estimated at 500,000. During those three and a half years, because of the conditions which would attach to the lending of money to municipalities, not a single municipality in Canada took advantage of that part of the act which was designed to enable them to enter into an agreement with the federal government for the building of low-rental housing. In three and a half years not one single municipality felt itself able to avail itself of the benefits which were supposed to accrue under that act.

Then in 1944 the act was revised. Again the emphasis in the act was placed on the provision of homes built for sale, but particularly for the middle and upper class income families. For those in the lower income brackets, in 1944 the government sponsored an insurance company scheme for the building of low rental houses. Housing Enterprises Limited was established and was supposed to build 5,000 houses a year, which were to rent from $35 to $40. Housing Enterprises Limited was established in 1945. In 1947 Housing Enterprises collapsed. In the two years in which it had been in existence it had started, though it had not completed, not 5,000 houses a year, but 3,276 houses in the two years. It discovered that the rental of those houses was no longer $35 or $40 a month but anywhere up to $70. As an enterprise to meet the needs of the low-income group of people who want houses for rent, it is generally agreed that Housing Enterprises was a complete failure.

If we look at the National Housing Act during those years from the standpoint of providing homes for the low income group, we find it proved a failure. The only people who benefited under the National Housing Act were those in the middle and upper income groups, and the finance companies which provided the money.

In the field of slum clearance, the act provided a measure whereby the federal government would pay 50 per cent and the municipality 50 per cent of the cost. Something like $20 million was set aside for that purpose. Up to date only one project of slum clearance has been undertaken under that regulation, namely, the Regent Park project in Toronto. Another section of the National Housing Act provided for assistance in the building of farm houses, houses for rural people; and from the date on which the National Housing Act was first put on the statute books up until December, 1948, one lone farm house in all Canada had been built. Therefore I would say that for rural housing the act was not particularly successful. In the field of co-operative housing the act again just did not work.

Last fall, when speaking on the amendment to the National Housing Act, the minister himself admitted the act was ineffective in so far as co-operative housing was concerned. Today, even with the amendment to the act which we passed last fall, it still does not meet the need of those people who want low rent houses.

I have discovered that in Toronto no one earning less than $3,000 a year, which is approximately $60 a week, can get a loan under the amended National Housing Act, to purchase a house. I hold in my hand a list of names and addresses, and the cost of the house, the monthly payment, and the income of the applicants. Application after application has been refused because the applicant himself was not in receipt of $3,000 a year. To apply for a loan in the city of Toronto the applicant must first get a statement from his employer showing how long and how regularly he has been employed. He must have a certified statement regarding what his annual income has been, and in every single case that I have examined where the income was less than $3,000 the applicant had been refused a loan. I have an instance of a husband and wife, both working, whose income together was well over $4,000. Yet the application was turned down because the man himself was earning only a few dollars below the $3,000 mark. Therefore for a purchaser to avail himself of a loan under the National Housing Act today he must earn at least $3,000 a year. That large group of wage earners, particularly in our large cities, who are not receiving $60 a week, or anything like it, are automatically excluded from the benefits of the act; and to date there is very little evidence that there are likely to be many, if any, projects undertaken in which the federal government and the provinces co-operate for the building of low rental houses.

A few days ago I asked a question when a notice appeared in the Toronto daily papers to the effect that the premier of Ontario had announced that his government was going to enter into an agreement with the federal government under the section of the National Housing Act which permits that co-operation in the building of low-cost rental housing. I inquired of the minister as to whether any agreement had been reached, or any negotiations carried on with the federal government, or whether

that was the accepted policy of the federal government. The answer in each and every instance was that there had been no agreement, that there had been no consultation, and that it could not be accepted as the present policy of the government to enter into that kind of agreement.

So that the situation in which we find ourselves today is that while there is a particularly acute shortage of general housing, that need is greatest of all in the field of rental housing. In 1941 we find that 58·9 per cent of all the houses occupied in Canada were rented. That is what we find from the census of that year. In the larger urban centres, with populations of 5,000 or more, the percentage of rented houses was then 65·8 per cent. At that time it would have required well over 100,000 houses to prevent overcrowding in those larger centres.

In other words there were about 1,250,000 rented houses in Canada at the time of that census, or between 4 million and 5 million Canadians in that year of 1941 who were living in rented accommodation. So that this question of rentals, the increase permitted last fall, and the whole matter of rental controls can be said, under present conditions, to affect about 5 million Canadians, or more. On the question of rentals the booklet called "Mortgage Lending in Canada", published in 1948 under the authority of the national housing administration, had this to say concerning the operations of the Central Mortgage and Housing Corporation:

> The operations of the corporation indicate clearly that the housing need is much greater in the rental field than it is in the home ownership field. The supply of new rental housing, even including that built by the government, is only about 30 per cent of all residential construction. It is evident that many purchasers of new houses would have preferred to rent rather than purchase.

On the question of overcrowding, I think there is no one who will gainsay the remark that the housing emergency today is most acute for the poorest section of the nation, and that overcrowding is worse among the low-income group.

In 1941 we find, according to the census figures for that year, that 29 per cent of the entire population was living in overcrowded conditions. With the increased urbanization that has taken place since that time, and with the increased shortage of housing, that percentage would be much higher today than it was at that time. Even then, of those in the income bracket of $1,500 or less, there were at that time 40 per cent living in overcrowded conditions.

That was the condition in 1941, and certainly it is much worse today. The ordinary worker in these days just cannot buy any of the houses being built—certainly none of the houses built from loans made by the national housing administration. Last year the average cost of a dwelling unit, built with the assistance of loans from the housing administration, was $8,056. The average in cities is much higher than that. For instance, in Toronto it is impossible to buy even a one-storey bungalow of three and a half rooms—including the bathroom—for $8,000. Today accommodation of that kind ranges anywhere from $9,000 to $10,000.

On the assumption that the purchaser should not spend more than 20 per cent of his income on housing accommodation, there are only two or three groups of industrial workers who could possibly buy any of the houses being built. On that basis the only people who could buy even the very cheapest houses built with the aid of national housing administration loans are some who are working in the western coal-mining industry, the metal-mining industry, the steam railways and the pulp and paper industry.

Industrial workers in all of the nine leading industrial groups in Canada, including those engaged in manufacturing, iron and steel production, the automobile industry and building construction, receive incomes which, on the basis set forth by Central Mortgage and Housing Corporation, would preclude any of them from buying even the cheapest houses built.

Therefore there is today a great need for housing accommodation among people in that class. Of the 711,000 houses needed in Canada today I believe I would be correct in saying that by far the greater percentage of them are needed by those in income brackets which do not permit their buying at current building costs.

The bill that will follow this resolution will bring relief to that section of our people who are still living in rented houses that have not been decontrolled. As I have pointed out, large numbers of rented houses in this country have become decontrolled at various stages, but I understand that there is a fairly large section that will be affected by the bill to follow this resolution. I am quite sure that many hundreds of thousands of Canadians will breathe a sigh of relief when they read the minister's statement of this afternoon that there will be no further increases in their rents until April, 1951.

However good this legislation may be, it does not go far enough toward dealing with the root of the rental problem. Unless the federal government takes the initiative of entering into negotiations with the provincial governments whereby projects may be undertaken to provide low rental housing for the

masses of our people whose income is less than $3,000 per year we shall still have reached no solution to our housing problem. It is that that I urge upon the government during this debate.

Mr. C. J. Henry (Rosedale): Mr. Speaker, in rising for the first time this session I deem it necessary to thank two great men in Canada for the opportunity of representing the constituency of Rosedale in this house. It is well known to hon. members that this riding returned to the Liberal party after being represented by members of the opposition for some fifty years. I have to thank the right hon. Prime Minister (Mr. St. Laurent) for the excellent leadership which he and other members of the government gave during the election campaign of June, 1949. I have also to thank the leader of the opposition (Mr. Drew) for the manner in which he conducted his campaign and the attitudes he adopted at that time. As a result of these attitudes by way of a secondary reason, I am here today. I noticed a display of these campaign attitudes here today in this debate.

I note that in this debate as in others the attitude of the opposition seems to be, "We in the opposition agree with what the government is doing, but we think the government is doing it in the wrong way." The people of Rosedale objected to that general attitude on the part of the leader of the opposition and I think that was a factor in their turning to the Liberal party after many years of absence therefrom.

I think rent control has the approval of all hon. members in so far as the principle is concerned. Even as a newcomer to this house I recognized the necessity of bringing to the government's attention the need for the continuance of rent control, particularly within the Toronto area. As early as October 20, 1949, I drew this to the attention of the government, in a public way. I am pleased to see the continuance of rent control by this legislation now before us.

Last fall I received certain representations, many of a serious nature, from groups and individuals in my constituency objecting to the increases in rents which were permissibly made under the regulations. As a matter of duty I brought those to the attention of the government, but the permissive increases were put through notwithstanding. The inability to please all areas and groups arises from the administration of this measure at the national rather than the provincial level. It may be that greater satisfaction would have been achieved in the Toronto area if the provincial government had taken over rent control in the fall of last year when it was offered to them by the federal government. However, there seems to be apathy on the part of the provincial government in this connection and if the present housing emergency does not subside it may be that the provincial government will have an opportunity after thirteen months have passed of doing what perhaps they should have done in the fall of last year.

Positive steps have been taken by the federal government to solve the housing shortage. It is notable that during the last general election the housing shortage in the Toronto area was a critical issue, if I may put it that way, raised by the opposition parties and answered by the government candidates. The jury of public opinion in Toronto during the last federal election gave its decision in a definite manner. The result was most emphatic because today there are several Liberal members in this house which indicates the confidence of the people of Toronto in the government of the day.

Prompt action was taken at the last session in connection with housing. A total of $300 million was allotted under the amendments to the National Housing Act. It is only fair to say that that allotment of money has enabled the government of Ontario to go on with low-cost rental housing projects in the London and other areas, all of which will become a reality in the near future. I have not a copy of the verbatim report of the debates in the legislature of Ontario, but it is apparent from the press reports that the premier of Ontario intends to take advantage of the provisions of the National Housing Act and proceed with projects which will make available homes with a down payment in the neighbourhood of $500. This will be the result of co-operation between the dominion and the province of Ontario.

The hon. member for York South (Mr. Noseworthy) seemed to belittle the efforts of the government in connection with large scale land clearances and the low-cost subsidized housing that would result therefrom. In the lower part of Rosedale riding is located the Regent Park housing development which is an example of what can result from co-operation between three levels of government, dominion, provincial and municipal. I am frank to state that the plausible, good-natured and well respected Tory mayor of the war-time period, Robert Saunders, came to Ottawa towards the end of the war and was received gladly by the minister then in charge of the National Housing Act, the present Minister of Trade and Commerce (Mr. Howe). There arose out of their cordial conversations the Regent Park scheme.

I should like to give you a few details to show what has been done in this case where there was good will on all sides. The Regent Park project consists of a housing development within six square city blocks in the lower part of Rosedale riding. The land was expropriated by the city, and there are to be constructed thereon apartments on a low-cost-rental subsidized basis. The share of the dominion government is put forward for clearance of the land and the substandard houses are removed on a basis of 50 per cent payable by the dominion government and 50 per cent by the municipality. Under the proposed scheme the share contributed by the federal government is $1,150,000. This constitutes a sum which, if capitalized over the fifty year "lifetime" period of the scheme, at three per cent represents a contribution on the part of the federal government of $33,000 per year.

The citizens of Rosedale constituency in Toronto can consider that during the lifetime of the scheme the federal government is in effect contributing towards low cost rental housing in the area the sum of $33,000 per year. As I understand it, the government of the province of Ontario has to date matched the contributions of the federal government dollar for dollar. Ownership of the project is in the name of the city and it contributes the balance of the cost of construction. You may ask, what of the rents under this low-cost housing scheme? I have to tell you that the rents are based on an equitable rule, namely, "one week's pay of the family income for one month's rent." There are sixty-five apartment units erected to date and the average rent is $52 per month. It is noteworthy that the plan of rent is such that if the family income falls through unemployment, then the rent comes down, and presumably if their income rises then the rent goes up. This is a most equitable method of establishing subsidized low cost rental housing in the area.

I have been in these apartments and they are of the finest construction. It is noteworthy that citizens from outside the six square blocks telephone me and ask how they may procure an apartment in the Regent Park development scheme. So far one-third of the apartments planned have been the subject of a contract, and further action is being taken. In the end there will be 1,056 apartments. A group of 3,000 people are housed in the area now but when the project is completed there will be 4,000 there. Accommodation will be provided for 1,000 more people, and I know it is welcomed by the people of my constituency. It is not unfair to suggest that this notable effort in the field of housing was made by the federal government for the constituency despite the fact that, at the time it was instituted, the constituency was represented by a former member of the opposition.

I should like to point out to the minister before I take my seat that the housing problem in my constituency is not confined to the southern area only. There is a residential section of some thirty-five to forty years' standing north of Bloor street which is known to residents of Toronto as Rosedale proper. The need for housing in Toronto during the emergency of the war was great, and in that area there were many large homes containing up to twenty or thirty rooms each. Automatically they became establishments for the housing of certain troops and other people on wartime duties. Then the guest home movement increased in the area, and it was found necessary as a war measure to pass order No. 200 of the wartime prices and trade board which in effect superseded the residential bylaws of the city. It is one of the orders which will be renewed under this statute which we are discussing today. In the area there are not less than 200 to 300 guest homes housing upwards of 3,000 people who can be said to be for the most part white collar office workers. Order No. 200 of the wartime prices and trade board in effect legalizes the living conditions of the 3,000 people living in these guest homes. When the order is lifted, or the time comes when the government does not have the power to keep order No. 200 in effect, there are the bylaws of the city which prevent the existence of guest homes on a legal basis and the occupancy thereof by the tenants. It is recognized by the city that time marches on, and that perhaps the character of the area has changed. It is recognized that something should be done to protect the proprietary investment of the people who commenced operation of these homes during wartime, and also to protect the housing accommodation of the guests living in these homes.

I recognize that this is primarily a municipal matter. Nevertheless I think that the experience of the wartime rental administration of the government as it is recorded might be given to the municipal authorities for their guidance and benefit when they come to consider what provisions it may be necessary to change in the municipal residential bylaws. I say to the minister that if the city so desires it—and I think they would be glad to have it—he should make available to them the recorded information available in the rental administration of the wartime prices and trade board. I would also ask him to make available the services of his law officers when and if it becomes necessary. I think

that is the least we can do because this problem will arise for solution on the municipal level sooner or later.

I conclude with this thought. Legislation having to do with rents and housing comes within the category of "must" legislation. It is a fact that until this government was returned at the last election the operation of this legislation was hampered, and that our housing legislation could be found just around the corner of interprovincial disunity. I commend the premier of Ontario for his spirit of co-operation, and in particular for his attitude toward the amalgamation of the city of Toronto and the outlying municipalities in that area. The mandate given candidates in the federal election was clear. National unity is the order of the day; and I believe that at the bar of interprovincial public opinion we are most fortunate in having the present Prime Minister (Mr. St. Laurent) and his colleagues in the cabinet, because they are without peers in this matter of national and interprovincial unity. I look forward to great things in future from our housing legislation and its administrative bodies.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, I followed with some interest the remarks of the hon. member for Rosedale (Mr. Henry) and the obvious satisfaction he took from the fact that seven Liberal members were returned from Toronto ridings at the last general election. In the view of the hon. member that seems to be quite sufficient to permit him to sit back now with complete complacency and behold with satisfaction the present state of affairs. If I am not mistaken, among the plethora of promises made by Liberal candidates in Toronto, which they hoped would help them to be elected, one made by the hon. member for Rosedale was that if he were elected he would see the housing problem solved, to use his own words, "before the snow flies".

Mr. Henry: I deny that, Mr. Speaker.

Mr. Fleming: I accept the hon. member's statement, of course. I did not bring the file here with me, and I said I thought it was the hon. member who had made that statement. He denies it, and I do not intend to question his denial; but I am going to have a look at some newspaper files on the subject. At any rate that statement was made by one of those candidates, whose election no doubt was thereby helped.

If hon. members can contemplate housing conditions in Toronto and elsewhere with satisfaction, I am afraid they either do not know or are not concerned about the conditions under which many people are living. If housing conditions are so satisfactory it is probably unnecessary for hon. members to engage in the discussion of any legislative needs; but I was interested in what the hon. member had to say about the Regent Park development. The suggestion or inference the hon. member invited us to draw from his statement was that this Regent Park development was made possible only through assistance given by the federal government. I want to tell you, Mr. Speaker, on the basis of some personal connection with the planning of that development in the first place, when I was a member of the Toronto city council, that the contribution by the federal authority to that housing undertaking was very small indeed. That is the one instance, as far as I am aware, in which a slum clearance program has been undertaken in Canada. It was a matter of satisfaction to us that when the Prime Minister (Mr. St. Laurent) went to Toronto last year and saw it, he acclaimed it as an eye-opener. From that many of us hoped the government would be prepared to make some show of generosity in helping to bring about the elimination of such slum conditions that exist in many of the urban centres of Canada.

What actually happened? I have mentioned that in this case the contribution of the federal authority was very small. Actually it amounted to only one-half the cost of land acquisition under section 12 of the housing act. After the Prime Minister's visit and the way he lauded the development, which was made possible largely by the enterprise of those concerned in the municipal government in Toronto, one might have expected that this sort of enterprise would be encouraged elsewhere. When the amendments to the housing act were brought down here last fall, however, we found that not one cent more was provided for reconstruction projects of that kind than was available previously. We still are limited to section 12 of the housing act, under which the federal authority contributes only one-half the cost of land assembly; and the amendments of 1949 do not help at all in the case of reconstruction projects.

I brought this to the attention of the house when we were in committee of the whole on those amendments. At that time I pleaded with the minister to extend the provisions, or to put upon the amendments an interpretation which would make those provisions available to assist in reconstruction projects. The minister had this to say, at page 2447 of *Hansard* for November 29, 1949:

> I think it is clear, Mr. Chairman, that where there is a section already in the act, namely section 12, providing for the redevelopment of land, it is not intended that this section should apply.

That was the new section contained in the amendments. That is the situation; and if the hon. member for Rosedale sees merit in the Regent Park development would you not have thought he would welcome the opportunity to rise, as I think I invited him and all Toronto Liberal members to do on the occasion to which I just referred, when these amendments were under discussion on November 29 last, and give some support to my request that the amendments be extended to include redevelopment projects? But the voice of the hon. member, along with the voices of the other Liberal members elected from Toronto, was silent. They did not have a word to say in support of the suggestion that assistance should be given to slum clearance by way of more generous contributions on the part of the federal authority to reconstruction projects.

I propose to speak very briefly on the resolution before us today.

Mr. Sinclair: Hear, hear.

Mr. Fleming: I can be longer if my hon. friend continues to encourage me.

I believe the statement my leader made today has put our position on this matter so clearly that no elaboration is required. I wish, therefore, to dwell on only two, or at the most three, points.

My leader called for a proper bill to put into correct legislative form the statutory enactments necessary to continue rent control, and urged that this subject, which is of such great importance, should not be left in the clumsy form in which the government asks that it be continued. The minister has stated that the powers conferred by the bill to be founded on this resolution are confined to price and rent control. He said all the other powers provided by the bill had disappeared except those concerning price and rent control, and indicated that it is not the intention of the government to make any changes in general in the present scheme.

Sir, if the bill is to have as confined an effect as the minister suggests, then the case for a proper rent control bill is stronger than it has ever been before. A year ago when this measure was under debate, the government indicated that there were twelve orders in council whose effect was to be continued by the bill. The minister has not given to the house today the particular orders that are to be continued by the bill. I take it that there are at most probably only two or three; probably they are P.C. 8528, P.C. 9029 and P.C. 5518. Those are the general orders in council which are to be continued, as I understand his statement, although on this point we shall ask for more information when we are in committee on the resolution. But, sir, the fact that, according to the minister's statement, the scope of these controls is to be confined now to rent control emphasizes, to a degree not hitherto present, the fact that it is quite unnecessary now to carry on this remaining hodgepodge of orders in council which will be continued if the measure before the house remains in its present form.

On the other aspect of the minister's statement I have one or two observations to make. My leader has already commented upon the statement of the minister, who said that it is not the intention of the government to interfere with the present rent ceilings or the present freezing regulations, except in certain cases. If the government's intention is so simple, sir, simple legislation now would suffice for the purpose without carrying on this hodgepodge of orders in council and the sweeping powers that are reposed in the government under the Transitional Measures Act.

What is the effect of a statement made by the government? We in the official opposition had some complaint to make in times past about the weight attached by the government to statements emanating from the government. What are these statements of intention? Are they binding assurances? If they are binding assurances, there should be no hesitation on the part of the government in writing them into the text of legislation. But the government does not seem to be anxious to see those statements of intention written into legislative form.

Let me give one or two illustrations of the weight attached by the government itself to statements of the kind that it has made in the house; and in this connection I ask hon. members to bear in mind the situation in which great numbers of people in this country found themselves at the beginning of last November when, without any warning whatsoever, without any reference to this house, the Minister of Finance (Mr. Abbott) simply announced sweeping changes in the rent ceilings, changes which affected hundreds of thousands of people whose protests, incidentally, were completely unavailing because parliament had no power to interfere.

The legislation was there, and the government exercised the power by order in council. As long as parliament is going to repose in this government powers by order in council to interfere with the contractual relationships between landlords and tenants on the scale on which those relationships were interfered with by those orders in council early last November, sir, the parliament of Canada will be completely by-passed. Parliament will not be consulted. Parliament will even have to sit by while the government

takes measures that will interfere with the rights of the people and affect those rights far more than anything that will be done by direct action on the part of this parliament. That, sir, is a fundamentally wrong method; and I submit that it is high time parliament made up its mind that it will not any longer countenance such things. Where measures are required, as in this case they are, in respect of rent control, this parliament should take that responsibility; and parliament should reserve to itself, and to itself alone, the right to change, modify or terminate those measures. It should not be left to the whim of the government.

The minister invites us to accept, in lieu of or as a substitute for proper legislation, in a matter of high importance to the people of Canada, statements of intention on the part of the government. Let us consider the history of some such statements in the past. Sir, you and I well remember the statement made in this house in 1946, found at page 2547 of *Hansard* of that year, in which the then minister of finance, Mr. Ilsley, in relation to a measure then before the house with regard to foreign exchange control, said:

> We have no intention of using this exchange control legislation to restrict anything but certain types of capital movement.

That certainly was a clear statement on the part of the government. What was the result? When it suited the government in November, 1947, to use powers in defiance of that assurance given to the house, powers which they purported to find in the very measure which was then under comment by Mr. Ilsley, they exercised those powers and, if you please, did it by radio decree without the slightest consultation of parliament. In a matter of such paramount importance to hundreds of thousands of Canadians, is it to be assumed by this house that the statement made by the Minister of Finance today will be given any higher regard or effect by the government when it suits their purposes at some future time to qualify it or to disregard it entirely, or that they will pay any more attention to it than was paid by the same government to this strong statement made by Mr. Ilsley in 1946?

You will not have forgotten, sir—and I am sure the house will not have forgotten—that when the present Minister of Finance was pressed in the house about that statement made by his predecessor in the same portfolio, an assurance that he himself was simply throwing overboard and was in effect completely repudiating, his answer was that it was only a statement that Mr. Ilsley made; he said that it was not a binding undertaking given to the house, but only a statement.

In the face of that experience, the same minister today asks us to accept, as a substitute for proper legislation, a statement on his part of the intention of the government in relation to circumstances as they appear to him to exist now. I say to you, sir, that this parliament cannot accept that statement made by the minister today as any substitute for proper legislation.

Then, sir, the Minister of Finance is not alone in the estimate that he places upon statements or assurances emanating from the government. I well recall that in this house a year ago, when a statement was made by the Minister of National Revenue (Mr. McCann) in which he announced that it was the policy of the government to ask the house to approve a loan of $4 million to the Canadian Broadcasting Corporation for the development of television in Canada, I rose and asked him this question, as reported at page 2837 of *Hansard*:

> Will the radio committee have an opportunity of reviewing this policy and reporting to the house before the house is called upon to approve the loan of $4 million.

The answer of the minister was: "The answer is definitely yes." You will find that recorded in *Hansard*. That was a direct and categorical statement, one would have thought. If statements by the government are treated seriously by the government, one could not have asked for a more categorical statement than that one. But what happened to that statement? In December of last year it suited the purposes of the government to ignore that promise completely, to repudiate it, and to push through this house the same loan without the radio committee having been appointed or ever having had the opportunity to make the study which it had been promised that the committee should make before the government would ask the house to approve this loan of $4 million to the Canadian Broadcasting Corporation for that purpose.

Now, sir, there are other instances. I think those two are sufficient to indicate the estimate which the government puts upon its own statements to the house. And if the house or the country, in the face of the repudiation of those statements by the government when it suited their purpose, chooses to attach to the statement made by the Minister of Finance today some efficacy in substitution for proper legislation, then, sir, the responsibility will rest on those who are prepared to put in jeopardy the rights of Canadians by hundreds of thousands.

I say to you, sir, that parliament in a matter so important, must not continue the hodgepodge of sweeping arbitrary powers contained in this act. It dare not ignore its responsibility to enact clear legislation that

will provide protection to those whose rights will be thereby affected, and who are entitled to know what their rights and liabilities are. If this parliament ignores that duty and chooses to accept ministerial statements which in the past have been treated so lightly by the government, then, sir, the majority in this house must accept the responsibility.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the people of my province of Manitoba, and of my city of Winnipeg in particular, have a double-barrelled grievance in connection with this whole matter of rent control. They have been misled twice within the past year. It is not yet a year since the federal election campaign was under way, when security for our people in every form was a Liberal propaganda item, when our people were led to believe that by returning Liberals to power they could get all of the security, all of the protection that was in the C.C.F. program.

Some hon. Members: Oh, oh.

Mr. Knowles: I am interested in the laughter that I am hearing from the Liberals on the other side of the house. It turns out now that in their opinion it was quite a joke that was played on our people. There was no notion in the minds of the people of Winnipeg, or the people of Manitoba, last June, that within four or five months after a sweeping Liberal victory action would be taken such as that on November 3, of permitting a further drastic increase in rent, which this legislation will not correct, since it merely keeps in effect for another year the ceilings established at that time.

Despite the fact that our people were misled in that way last June, they went through the same experience again in Winnipeg and in Manitoba last November. It was on November 3 that the Minister of Finance rose in his place in this house and announced the increases that were to become effective as at December 15. A provincial election was under way in Manitoba at that very time. Candidates of all parties, especially in the city of Winnipeg, realized what a burning issue it was, and they literally tumbled over each other trying to get in there first. Candidates of all parties promised that they would do something about it. The promises varied from one offer to another. Some of them were going to take over rent controls in the province right away. Others were going to press the federal government to retain the ceilings where they had been, and others of course would just have the matter looked into. But that promise to do something about rent control was made, as I say, by both Liberals and Conservatives in the coalition, and by the members of all parties in that election campaign, including at least one cabinet minister that I know of, if not more.

I was aware of that during the debate on rent control in this house on November 8 of last year, and made a statement just two days before that provincial election, bearing on what was happening there. I said, as recorded in *Hansard* at page 1562:

> I hope the people of Manitoba realize they are now being handed the same kind of half assurances that they were given by the Liberals prior to the 27th of June. Once the 10th of November is past, any thought that the Manitoba government would take over rent control in that province is just as far down the drain as is the promise—

Mr. Martin: What is the hon. member quoting from?

Mr. Knowles: I am quoting from an expert in these matters, namely, the member for Winnipeg North Centre.

Mr. Argue: Hear, hear.

Mr. McCann: This must be your birthday.

Mr. Knowles: Oh, no. I continue with the quotation I was giving:

> Once the 10th of November is past, any thought that the Manitoba government would take over rent control in that province is just as far down the drain as is the promise of the federal government that they would protect the health and the living standards of the Canadian people.

Now, Mr. Speaker, to support what I said a moment ago about that quotation being from an expert, and to make it clear that I was not just patting myself on the back, but that what I said was an accurate forecast of what would happen, I call the attention of the house to the issue of the Winnipeg *Free Press* dated March 22, just two days ago, the main story of which relates to a debate in the Manitoba legislature on the question of rent control. The official opposition in the legislature, which is the C.C.F., presented to the Manitoba house a motion condemning the provincial government for not taking over rent control and operating it on a provincial basis. What happened? The government moved an amendment to that motion expressing its complete confidence in federal rent control, thus sidetracking the real issue before that house; and a good many of the members who were candidates in the election and had promised that they would see to it that rent control was taken over voted for the government's amendment and thus defeated the proposal which called upon the provincial government to take over rent control as the Minister of Finance is urging them to do. Therefore the people of Manitoba find that they have been fooled twice, first on the 27th of June and again on the 10th of November, so far as rent control is concerned. They were led to believe on both

occasions that by voting Liberal their rental situation would be protected. They now find that these promises have again gone down the drain, just as I indicated in my remarks on November 8 of last year.

Obviously, Mr. Speaker, no one can vote against this measure. There is not much to it, but anything less would be unthinkable. All this measure does is to continue in effect the high ceiling on rents that is now in effect. It does not give to the people of the country any relief from high rents. It does not roll them back to what they were last December.

I could point out, as the minister said, that one province, facing up to its responsibility, accepted the minister's offer and agreed to take over rent control starting on April 1. That is the province of Saskatchewan. The result is that most rents in that province are still at the level which was in effect last December.

The people of Manitoba wanted something similar done in their province, whether by the federal government or by the provincial government. But they find that, despite the credence they have given to Liberal promises and Liberal assurances, they are not going to get it either way. The government in the provincial legislature moves an amendment expressing confidence in the federal administration of rent controls, and that meaningless motion carries. The Minister of Finance (Mr. Abbott) rises in the house and reads from a supreme court judgment, of which he approves, saying that this whole business is really a provincial matter, and makes it very clear that within thirteen months it will be thrown back to the provinces, in its entirety. What a hope!

It so happens that the constituency I represent has in it a large number of tenants who are affected by rent control. I can tell the minister and the house that during the two days I was home last November, when this issue was being fought out in the provincial election campaign, the protests over what was taking place were literally legion. Since then, next to the interest people have shown in the removal of the means test from old age pensions, this has been the question which has been the greatest concern of the people I represent.

I feel strongly about this. I feel that ever since the war the whole attitude toward rent control on the part of the government has been one of callous indifference to what has been happening to the Canadian people, particularly to workers who are tenants, who have had their rents raised time and again, making it extremely difficult for them to get along. Old age pensioners and others on small fixed incomes have had it very hard, too.

I agree with the position taken today by the leader of the opposition (Mr. Drew) when he states that this matter ought to have been put in proper legislative form long ago. It seems to me that one of the things this parliament must somehow put a stop to is the way in which the government constantly arrogates power to itself which it can exercise without any reference whatever to parliament. We should have matters like this in statutory form so that we can approve or disapprove of them at the time they are being enacted, and so that we will know where we stand.

This method of legislating has given the government far too much power. The minister may say it has given them power at times to impose controls, which power they exercised during the war. But the only way they have exercised it since the war has been to continue to permit these increases.

I am not the only one in the house who is aware of the misery and suffering this brings to our people. Liberal members are aware of it, too. Indeed, they were very much aware of it last November, at the time the minister made his announcement; and my guess is that they have been getting just as many letters in the last few months as I have about the increases that have been taking place.

So we are in this position, that we will vote for the measure before the house because it will keep in effect what little control now obtains. But it is a pretty sad story, this whole business, the way this question of rent control has been handled. It has not been rent control at all; it has been rent decontrol, with many anomalies which have created all sorts of difficulties with complete unfairness to the people of this country as a whole.

There is something further I should like to say about this matter. Frankly, I do not like to be a suspicious person. I do not like questioning assurances given to me, particularly when they are given across the floor of the house.

Mr. Ross (Souris): You had better get to like it.

Mr. Knowles: There is something to the humorous interjection just made by the hon. member for Souris. I have been here long enough now to become sceptical of assurances. Far too often positive assurances given to us have not been kept. Today we have it again. We are given an assurance the keeping of which need not worry us too much, for the assurance is that a ceiling which is just about up to the sky will not be raised any higher during the next thirteen months.

However, this raises the whole question of parliament's being asked to satisfy itself with ministerial assurance rather than with clear-cut legislation put on the statute books.

The hon. member for Eglinton (Mr. Fleming) pointed to a couple of cases, and I shall point to several more, where ministerial assurances have been broken. One of them relates to a statute placed on the statute books, but one which contained an escape clause—just as there is an escape phrase in the assurance given by the minister today. And when it suited the government it used that escape clause, not just in a few instances of emergency, but used it 100 per cent.

The case I have in mind relates to the government's policy with regard to civil aviation. Hon. members here in the parliament before last will remember the present Minister of Trade and Commerce laying it down as firm government policy that within a year after the end of the war in Europe all railway companies were to be compelled to divest themselves of the ownership of any air lines. Not only was it laid down as policy in speeches delivered by the minister and in assurances given to the house—a policy which, by the way, was opposed bitterly by the official opposition; so that it cannot be said that it was non-contentious—but it was written into a statute.

I have here the act in question, to be found in the statutes for 1944-45, chapter 28 of which is an act to amend the Aeronautics Act. Section 12 (2) of that act states:

> No such licence shall be issued in respect of a commercial air service, owned, leased, controlled or operated by any person who is engaged in the transport of goods or passengers for hire or reward by means other than aircraft unless the governor in council is of opinion that it is in the public interest that such licence be issued.

And then turning to section 14, which is lengthy, we find it states—and I summarize—that every licence then in effect was to expire within one year after the end of the war in Europe.

So there, in statutory form, it was laid down that all of these companies, such as the air lines owned by the Canadian Pacific Railway, were to be separated from ownership by railway companies, and no further licences to railway companies to operate air lines were to be granted.

Time went on. We reached a point one year after the end of the war in Europe. Then we got into the second year, at which time I began asking questions about it. What did we find? We found that, first of all, the government by a minute of council—a quite improper procedure—decided that that one year was to be treated as two years—in violation of the act—and then they further got around the act by letting all licences to aviation companies then in existence expire—every one of them. Then they reissued the whole lot under the terms of that emergency clause in section 12(2).

How do hon. members expect us to accept with complete assurance the statement made today by the minister, with an escape phrase in his statement, when we have had experiences such as the one I have described?

Then I think of some other assurances we have been given. During the session of 1948 I was a bit of a bother to the government over the question of its aviation policy in the Pacific. I had heard rumours that it was going to change its clearly-stated policy, namely that T.C.A. was to fly the Pacific. So I asked question after question, in one form or another, and was given the assurance that there was no change in that item of clearly-stated government policy. The session ended, and we went home. Within a week or so an announcement was made of a change in government policy, to the effect that flying the Pacific for Canada was being turned over to Canadian Pacific Air Lines.

I remind hon. members of what happened in August 1946 when there was before the house a motion calling upon the government to reconsider its announced intention of taking the second subsidy off milk. An amendment to a motion to go into supply was carried by the house. By a majority vote the house called upon the government to reconsider that matter. We asked the government what it would do about it, and were assured that the matter would be reconsidered. Then in a few days parliament was prorogued. A couple of weeks later the result of that reconsideration was that the subsidy was taken off, contrary to the expressed wish of parliament, and the price of milk went up.

Another instance that comes to my mind occurred on June 30, 1948. At that session we had had quite a bit of discussion about government annuities. By order in council the government had changed the basic interest rate upon which the annuities are based. As a result of protests from all sections of the house the promise was finally made by the government through the Minister of Labour (Mr. Mitchell) on June 30, 1948, that a special committee would be set up at the next session to go into the whole matter. When I asked at the next session, and the next, when that committee was going to be set up I was unable to get a satisfactory answer from the minister. The plain fact of the matter is that the promise was ignored; another assurance was broken.

A few days ago the hon. member for Vancouver East (Mr. MacInnis) read from *Hansard* of April, 1945, when the Minister of Trade and Commerce (Mr. Howe) introduced his white paper on post-war employment projects. My colleague read the specific statement that was made as to committees that would be set up, the money that would be voted, the way in which the government would implement that clear-cut assurance. Now the whole business has gone by the board.

When we were arguing last fall with the Minister of Justice (Mr. Garson) about the McGregor report the minister assured us—although I certainly did not accept the assurance—that the report which he had received the previous December was really not in final form until October, 1949. In other words, the minister then—this was not his first answer; it was one of his subsequent answers—assured us across the floor of this house that he had kept the law, that he had tabled the report within fifteen days of its being in his hands in final form.

However, on March 22, just a couple of days ago, the same Minister of Justice in answer to some questions put on the order paper by the hon. member for Lake Centre (Mr. Diefenbaker) let slip this bit of information, namely, that that report was referred on July 11, 1949, to J. J. Kelly, K.C., of Winnipeg for a legal opinion as to whether or not prosecution of the millers should be gone ahead with. It so happened that Mr. Kelly was subsequently appointed to the Court of King's Bench—that would be on the recommendation of the same Minister of Justice—and the matter was referred to another lawyer, T. N. Phelan, K.C., of Toronto, on September 20, 1949.

There it is in black and white that the report was in complete form so that the government could refer it to counsel for an opinion as to whether or not to go ahead and prosecute, and yet last fall the minister got up in this house and gave us his assurance that he was keeping the law when he knew as well as the rest of us did that he was not.

It is instances of that sort, and we are having far too many in this parliament, which make me sceptical about the statement the minister made today. The only reason that I can see for one counting on today's assurance being kept is its substance. The ceiling is now so high that the government could hardly push it any higher. If the ceiling were lower I am afraid the assurance would be in the same category as some of those we have had before.

We will have to support this measure to keep in effect for another thirteen months such federal rent control as we have, but I felt that I should take the time to register once again the protests of the people I represent against the way in which they have been fooled in connection with rent control. I felt also that I should take time to document the contention which the leader of the opposition (Mr. Drew) and others have put forward as to the value of government promises. The government must get away from these ministerial assurances and get down to more clear-cut statements, which should be put down in black and white—in proper legislative form—so we will know where we stand.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, I do not want to hold up this measure and I shall speak for only a few minutes, but there are a few things I should like to say. In fact what is before the house at this time is nothing. There has not been any rent control for some considerable time. All the minister proposes to do is to extend something that has not existed for quite a long time.

I look upon this matter of retaining rent control very seriously because it has been a long-drawn-out controversy in this country. It is in connection with this measure that I ran into the greatest amount of apprehension in all sections of the constituency that I have the privilege to represent and in all parts of the country that I was able to visit after the election was over. When it became apparent that the federal government were desirous of getting out of rent control various bodies like the Canadian Legion and the Canadian Congress of Labour were sufficiently interested to take the matter to the courts in order to test its validity. Those two bodies represent a large section of the people of Canada that requires either housing or the control of what housing there is.

This afternoon I think the hon. member for York South (Mr. Noseworthy) put an excellent case before this house in the matter of housing. He definitely proved, largely from government statistics, that housing leaves much to be desired. The Minister of Finance (Mr. Abbott) has assured the provinces that he is willing to hand over rent control. I understand Saskatchewan has passed an act but I do not know whether it has been proclaimed.

An hon. Member: April 1.

Mr. Gillis: I understand also that Alberta has stand-by legislation. If we are really honest about this matter I think we will have to admit that what the leader of the opposition (Mr. Drew) said this afternoon—I very seldom give him any credit for anything—is absolutely correct. If we are going to have laws, they should be made by this parliament and they should be given effect to by the

courts of the country. The minister is asking us to pass a bill that will give the cabinet the right to make any change and throw the law around at will.

Mr. Knowles: As they have done.

Mr. Gillis: Certainly, as they have done. I think it is unreasonable to ask the provincial governments to take over rent control because you would then have ten different types of legislation across the country. I do not think the maritime provinces, including Newfoundland, would touch the thing at all and the result would be no rent control in that end of the country.

Mr. Browne (St. John's West): Newfoundland has its own rent control act.

Mr. Gillis: I am glad to hear that. The whole policy of rent control has proved ineffective and disturbing, so much so that a lot of money was spent by the two large organizations I have mentioned to take the matter to the courts. The courts have ruled that it is within the power of the federal government. Why could we not pass a basic act in this parliament which would clearly set out for all time where the landlord and the tenant and those affected stood, and leave the administration in the hands of the provinces? In that way we would have uniform legislation.

Some control is necessary because housing is still in an emergent condition. While the war is over the emergency in housing has not been taken care of. In my opinion it is much worse now in the larger centres than it was in 1940. I know there is not much use beating the air. I have filled pages of *Hansard* about it, and I am very much disappointed with what the minister is doing. I thought this afternoon he was going to tell us that, the Supreme Court of Canada having decided that the government had jurisdiction—

Mr. Sinclair: Jurisdiction to decontrol.

Mr. MacInnis: Jurisdiction to continue to control also.

Mr. Gillis: The question before the court was not whether they should decontrol or whether they could. As I understand it, the question before the court was whether the government had jurisdiction to administer rent controls in the circumstances. As I understood what the minister said, the decision was that they had that right, but they were going to continue to exercise it only up to April, 1951. If that is all that is going to be done, then as I said when I started to speak we are really beating the air about nothing. The minister stated this afternoon that 75 per cent of the landlords have taken advantage of the opportunity to increase rents. Those people who have been taxed an additional 20 or 25 per cent by way of rent have already had that done, so we are not going to cure anything there. The remaining 25 per cent of the landlords who have not taken advantage of the provision are probably housing unemployed. Rent control offices have practically folded up across the country. I think the sensible thing to do is to pass a basic bill in this house, have the provinces administer it, and settle the question once and for all so that we may get on with housing. In the final analysis the answer to the whole problem is a good, low-rental housing program, and we have not got that at the present time. I am sorry, Mr. Speaker, that I had to make you come back to your chair, but I thought I should make these few remarks.

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

Mr. Knowles: Can the parliamentary assistant tell us precisely what orders in council will be continued, and if those orders in council include price control as well as rent control will he tell us to what extent price controls are in effect?

Mr. Sinclair: The actual list of controls which will still be in effect will appear as a schedule to the bill, but so that hon. members may have the information in advance perhaps I should list them here. Perhaps I can give the list to *Hansard* later, but at the moment reciting the orders themselves the first group of four orders which will remain in effect are the ones under the wartime prices and trade board. They are P.C. 8528, P.C. 9029—perhaps I should tell you where you can find these fairly easily. P.C. 8528, and its amending orders, because it is an order made in 1941 which has been amended fifteen times, can be found on page 18 of the consolidation of orders in council passed under the Continuation of Transitional Measures Act of 1947. The king's printer prepared that publication. P.C. 9029, the wartime leasehold regulations, can be found on page 29 of the same consolidation. Those two of course are rental orders.

P.C. 34/4433 is the order in council which extended the Government Employees Compensation Act to employees of the Commodity Prices Stabilization Corporation, which has almost finished its work. It can be found on page 45 of the consolidation. There are only eight or nine employees left, but until the corporation is completely wound up we have to cover these employees under the Government Employees Compensation Act. The last of the four wartime prices and trade board orders is P.C. 3122, consolidation of supplementary regulations, which can be found at page 46.

Transitional Measures Act

Mr. Knowles: Consolidation of supplementary regulations of what, of the wartime prices and trade board?

Mr. Sinclair: Yes, of the wartime prices and trade board. There are two orders in council of the Department of Justice, P.C. 4600, which appears at page 68, and P.C. 6223 at page 69.

Mr. Knowles: Which deal with what?

Mr. Sinclair: One authorizes appeals in cases involving breaches of wartime regulations, and the second one provides for notice to the attorneys general of Canada and of the provinces in certain cases. Then there are the orders in council which will be revoked as of March 31, 1950, although they will still be in effect until that date. I can list them now or perhaps it would be just as convenient to have them appear in *Hansard*. There are six of them. Therefore that will leave under this act only the six orders in council which I first mentioned. With the permission of the house, we might have these two schedules printed in *Hansard*.

Some hon. Members: Agreed.

Mr. Sinclair: The schedules are as follows:

Continuation of Transitional Measures Act chapter 16 of S.C. 1947—amended by chapter 5 of S.C. 1947-48 and chapter 3 of S.C. 1949

Schedule to the Act

1. Orders in council still in force

Wartime Prices and Trade Board

P.C. 8528 1/11/41 Wartime Prices and Trade Regulations

as amended by

P.C. 8762 10/11/41
8837 13/11/41
9030 19/11/41
5092 15/ 6/42
5109 16/ 6/42
10277 10/11/42
11595 22/12/42
3206 22/ 4/43
6808 30/ 8/43
6242 18/ 8/44
8910 24/11/44
385 18/ 1/45
4410 22/ 6/45
60 7/ 1/47
392 31/ 1/47

P.C. 9029 21/11/41 Wartime Leasehold Regulations

as amended by

P.C. 3366 24/ 4/42
8973 1/10/42
3207 22/ 4/43
7570 1/10/43
6234 8/ 8/44
386 18/ 1/45
4409 22/ 6/45
5234 23/12/46
391 31/ 1/47

P.C. 34/4433 10/6/44 Government Employees Compensation Act extended C.P.S.C., etc., employees

P.C. 3122 25/7/46 Consolidation of supplementary regulations

[Mr. Sinclair.]

Department of Justice

P.C. 4600 7/6/43 Authorizing appeals in cases involving breaches of wartime regulations

as amended by

P.C. 6713 25/8/44

P.C. 6223 6/8/43 Notice to Attorneys General of Canada and of province in certain cases.

2. Orders in council revoked as of April 1, 1950 by order in council P.C. 1270, March 14, 1950

P.C. 7475 26/8/42 Regulations of Commodity Prices Stabilization Corporation

as amended by

P.C. 39 6/ 1/44
5273 26/ 7/45
390 31/ 1/47
1711 29/ 4/47

P.C. 328 28/1/47 Canadian Sugar Stabilization Corporation

P.C. 3 4/1/44 Wartime Industries Control Regulations

as amended by

P.C. 6355 11/ 8/44
346 16/ 1/45
897 13/ 2/45
7156 29/11/45
477 7/ 2/47

P.C. 245 23/1/46 Steel Regulations as amended by P.C. 520 15/2/46

P.C. 1997 21/3/44 Timber Regulations

P.C. 1609 23/4/46 Construction Materials Regulations as amended by P.C. 337 31/1/47.

Mr. Knowles: The first one the parliamentary assistant named, P.C. 8528, is the one which established the wartime prices and trade board.

Mr. Sinclair: Wartime prices and trade board regulations.

Mr. Knowles: If I understand it correctly that was the overriding board, and rent control is in effect a branch of the wartime prices and trade board.

Mr. Sinclair: Yes.

Mr. Knowles: Are the regulations of the wartime prices and trade board being kept in effect merely to provide for rent control or are there some other price controls still in effect?

Mr. Sinclair: There are no other price controls that I know of. The only one having any reference to price control is P.C. 34/4433, and that is because the Commodity Prices Stabilization Corporation was a price control and subsidy organization. There is a complete list of the main orders. You will find them all consolidated in this list I have given so that you can study them and ask these questions when the bill is up for second reading.

Mr. Knowles: The regulations that will be carried forward will not themselves be printed in the bill?

Mr. Sinclair: No, but the schedule to the bill will show the orders in council and amendments which are being carried forward.

Mr. Knowles: I realize that perhaps this is a matter for the minister rather than the parliamentary assistant, but I hope he will bring this suggestion to the attention of the minister. It seems to me that when you are passing legislation of this kind it is not satisfactory merely to have a notation as to where you have to go to hunt for all these matters. It would be far better to have a schedule attached to the bill setting forth the actual regulations referred to.

Mr. Sinclair: I thought I was being helpful. This is the first time that I know of where actual information as to orders in council has been given at the resolution stage like this. You will find it very little bother to turn to page 18 of the consolidation to find this particular order in council.

Mr. Knowles: The parliamentary assistant may have tried to be helpful but he seems to think it is perfectly satisfactory to pass legislation that does not include all its details, and that we should be very grateful to him for telling us where to find those details.

Mr. Sinclair: This is not legislation; this is only the resolution stage. In order that members may have warning of what is coming I hope I am giving you ample information by putting the schedule in *Hansard* before the bill is given first reading.

Mr. Knowles: But nothing more than the schedule is going to be in the bill; not the details of the orders.

Mr. Pouliot: It will be a book of numbers.

Resolution reported, read the second time and concurred in.

Mr. Fournier, Hull (for Mr. Abbott) thereupon moved for leave to introduce Bill No. 56, to amend the Continuation of Transitional Measures Act, 1947.

Motion agreed to and bill read the first time.

THE ROYAL ASSENT

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

Mr. Speaker, the Right Honourable the Deputy of His Excellency the Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly the house went up to the Senate chamber.

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give in His Majesty's name the royal assent to the following bills:

An act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1950.

An act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1951.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

PRAIRIE TRANSMISSION LINES LIMITED

The house resumed, from Friday, March 17, consideration of the motion of Mr. Benidickson for the second reading of Bill No. 9, to incorporate Prairie Transmission Lines Limited, and the motion of Mr. Macdonald (Edmonton East): "That this question be now put."

Mr. E. D. Fulton (Kamloops): Mr. Speaker, in the few moments that remain to me tonight to speak on the bill which is now before the house, namely, the bill to incorporate the Prairie Transmission Lines Limited, I should like to review the point that I made when I last spoke on this matter as to the great concern felt by the people of the interior part of the province of British Columbia at the prospect that the pipe line may not be built through that area, but may be built in the greater part through the states of the United States, particularly Idaho, Washington and Oregon.

I have placed before you, sir, and before the house, a number of resolutions and telegrams that I have received from boards of trade and chambers of commerce throughout that entire district. Over the week end I have received several more, including, it might be noted, a copy of a resolution passed by a junior chamber of commerce of Burnaby, supporting the stand we are taking, that the pipe line must be built through British Columbia.

Mr. Goode: Will the hon. member permit a question? Did he say "Burnaby"?

Mr. Fulton: Yes.

Mr. Goode: Would he mind placing on the record to whom it was addressed?

Mr. Fulton: I have not got it with me, it is in my office. I will give it to the hon. member when I finish speaking in this debate.

Mr. Goode: I would ask, Mr. Speaker, that it be placed on the records of this house.

Mr. Fulton: I shall be glad to do that.

Mr. Cruickshank: He has an opportunity to speak if he wants to.

Mr. Fulton: I shall be glad to do that if it meets with the approval of the house, or I could give it to the hon. member privately, if he prefers it that way.

Mr. Brown (Essex West): Put it on the record.

Mr. Fulton: It is a fact that I have that letter. It seems to me that that indicates there is a widespread feeling throughout our province that some assurance must be given that this line will be built through Canada before this bill shall be allowed to pass. It is on that basis that I want to conclude this evening, by appealing to hon. members who understand the position which those of us from British Columbia have taken in this matter.

Mr. Cruickshank: That is some of us from British Columbia.

Mr. Murray (Cariboo): A monopoly, a complete monopoly.

Mr. Cruickshank: Not Jacques Cartier or Alexander Mackenzie.

Mr. Fulton: I must say, Mr. Speaker, it does seem that this debate arouses a good deal of interest, although many of the hon. members prefer to make their contribution by way of interjection rather than by speaking so that we could know their stand. If they are so interested in the bill I suggest strongly that they should all take part in the debate so that we could know what their point of view is.

Mr. Murray (Cariboo): We are opposed to the Tory monopoly.

Mr. McLure: Rubber stamps.

Mr. Ferrie: Filibuster.

Mr. Fulton: It is significant to consider the petition which is now before the other place from the company which is seeking this incorporation here tonight, where one finds that they have been applying for incorporation in order to build a pipe line on a route lying through the United States. The route has been fully described as that route which leads just across the southeast corner of our province; then it proceeds through the states of Idaho and Washington to the Pacific coast, where it splits into two branches, one going south to Oregon and the other going back up north to Vancouver.

I should like hon. members who disagree with our position to consider carefully the merits of their suggestion that we should allow this bill to go through, since, it is said, all that is sought here is the incorporation of a company, and that we should let the Alberta government decide on the route of the line, or let the board of transport commissioners decide it. Mr. Speaker, I am not speaking as a legal or constitutional expert, although I have given some study to the matter, but I believe that a very good case could be made out for the contention that neither the Alberta government nor the board of transport commissioners has any legal or constitutional authority to control the export of gas from Canada. The Alberta board is concerned primarily with assuring that sufficient supplies of gas are in that province to meet the foreseeable requirements of Alberta over the next fifty years. Once they have satisfied themselves on that score, they will consider granting licences to export gas; but I submit that if the Alberta board were to refuse to license the export of gas merely on the ground that the proposed line crosses the international border, their decision would be declared ultra vires, because that would be an interference with interprovincial and export trade. I submit they will have no authority to refuse to license on those grounds. In the same way, if hon. members will consider carefully the main oil and gas Pipe Lines Act under which the companies must apply to the board of transport commissioners for authorization, they will find in that act that the question of whether the line goes to the United States is not a consideration to be taken into account by the board in granting or refusing their application. You will not find any authority for the board to take into consideration the question whether or not the line has to be built into the United States. There is no authority, expressed or implied, for the board to refuse their authority merely because the company propose to build their line across the border. I submit that, in the same way, it would be ultra vires the board of transport commissioners to refuse to grant their authority to build a line merely because it is proposed to send it through the United States.

Indeed I would presume this matter has been given some consideration by those who are now applying for incorporation, because we find they have laid down the route they propose to build, and it shows clearly that for the greater part of its length it is to be through the United States. If they thought that the board could refuse or might refuse their application because of that fact they would not have included it in their petition. Therefore I say the only way we can be certain that the policy of building the line through Canada is followed is to insist upon the assurance being given by the sponsors of the bill before we pass it. If it is the desire

to cut short this debate, and if it is desired by hon. members who say that they believe in the policy of Canada first, if it is desired to ensure that we shall have the line through Canada, then I suggest that the way to do it, and the way to cut short this debate, would be to amend the main Pipe Lines Act to provide that the board shall not grant authority unless the line is built through Canada. If that were done, then certainly I would cease my opposition to the bill, and I believe I can safely say that other hon. members who have been opposing it would cease their opposition; because then we would find that the line would be built through Canada, and we would be content to grant incorporation to as many companies as wish to build the line through Canada first.

However, until that assurance is given, or until the Pipe Lines Act is amended so that we may have the line built through Canada serving Canadian cities, and serving this country, with the benefits of the enormous cost of construction and the employment which will come to Canada—I say until that is done we must continue to oppose the incorporation of these companies because, in our view, it would be a great disservice to Canada and a negation of the principle that we must now build up our economy to provide opportunities for employment and expansion here at home.

On that basis I take my stand squarely in opposition to the bill.

(Translation):

Mr. Leon Balcer (Three Rivers): Mr. Speaker the purpose of the bill now before the house is to incorporate a certain number of people under the name Prairie Transmission Lines Limited.

These persons are seeking permission to build and operate pipe lines for carrying gas and oil from sources in Alberta to certain points both within and outside of Canada.

The bill, however, carefully avoids any description of the route along which the promoters intend to build their pipe line. No map is attached, as is usual when railway companies seek incorporation.

The matter before the house has been discussed during at least two sessions. I do not think there is any precedent on record of such a lengthy discussion on a private bill.

So far more than thirty members have spoken for or against this measure. Two party chieftains, the leader of the opposition (Mr. Drew) and the leader of the C.C.F. (Mr. Coldwell) have taken part in the debate and voiced strong opposition to the bill.

At first, representatives of the provinces concerned, Alberta and British Columbia, were the only ones to show their interest in the matter by taking part in the debate, that has been rather bitter at times. But today, members from all parts of Canada, even from Newfoundland and Prince Edward Island, have spoken on the bill, an indication of the importance of this measure. It also goes to show that the more we talk about it in the house, the more significant it becomes.

We must conclude, from what we read in the newspapers that it is a most vital question. We surely have grounds to wonder why it is so important and why it receives so much attention in the house.

In my opinion, members of the opposition took part in this debate because it dealt with the nation's natural resources and because it is in line with the "Canada first" policy, always practised by my party.

A nation's natural resources are its most valuable assets. It is the duty of every Canadian, whatever his home province and whatever the issue at stake, to see to the conservation of our country's natural resources and to their development in the best interest of our people.

If such is the duty of every citizen, I believe that the government, on whom rests so many responsibilities, has the dual obligation of considering the matter and making sure that the interests of our people as a whole are fully upheld.

Since confederation and especially since the beginning of the 20th century, this country has known an industrial development unparalleled in its history. From 1900 onwards, our lumber industry, our mines, our waterpower have been developed as never before.

Unfortunately, in several provinces, natural resources were, in most instances, developed only for the benefit of certain foreign companies and, very seldom to the real advantage of our people.

Let us consider, for instance, the forests in my province. Since the turn of the century our forests have been worked on such an extensive scale by pulp and paper companies that, to a certain extent, they have become depleted. At that time, there were no regulations to restrict their activities and, human

nature being what it is, these people, whose appetite was never curbed, possessed themselves of all these assets and developed them for their own benefit only, meanwhile forgetting that they were laying waste one of the country's natural resources, one which might take centuries to rebuild.

Fortunately, the Quebec government, in the past few years, realizing this danger, has adopted legislation to save our forests. They have in this way required all those who work our pulp and wood resources to manufacture these products in Canada and to export them in a manufactured or finished state. In doing so, this government showed national consciousness.

This example was followed in several provinces. New Brunswick and Ontario among others, have followed suit and passed similar important legislation. This logical step had been taken for the sole purpose of protecting our forests, the government of the day realizing that they were a national treasure belonging to the population as a whole.

Natural gas is no doubt a different problem but nevertheless we have the power to study a charter which will allow us not only to develop a natural resource but also to export it.

The place we hold today among the exporting countries of the world is incomparable. However we can keep this rank only if we always proceed carefully, if we use our natural resources so that the products of our soil are developed at home and if we apply the principle of Canada first, in this case as in others.

As the leader of our party said the other day, the main reason why we oppose this bill is because we believe in the principle of Canada first. The members of our party were accused of filibustering, and of lengthening the debate but I sincerely believe that when they take such an attitude they are really anxious to carry out their mandate. I am personally glad that they have thus risen in protest and that, as representatives from all the province in Canada, they have put aside any selfish feelings to come to the aid of the people of British Columbia by helping them to secure an adequate and sufficient public service before a group of capitalists export these products to the United States.

The bill before the house provides for the development and export of Alberta's natural gas and petroleum resources. Protests were bound to come from members of the opposition who are all realistic people and believe that Canada should continue to forge ahead. We are of the opinion that our natural resources should be developed as rapidly as possible and to the greater advantage of our people. We oppose the measure because the promoters and supporters of the bill still refuse to say where the said company intends to build its pipe line. No one can claim I speak rashly in stating this, but all hon. members are convinced, I am sure, that the company's primary intention is to export this gas to the United States, and serve that part of the American nation first, probably in a way that will be detrimental to the interests of the people of British Columbia.

Making sure that this pipe line will serve Canada before the United States is one consideration, but we must realize that our neighbour to the south is probably the greatest industrial nation in the world and enjoys the highest standard of living. That country has attained its present development by adhering to the principle that the U.S. had to be supplied before the export markets. I do not deny that our neighbours are generous, that they export coal, petroleum and even gas to various parts of Canada. However, before allowing goods to be sent abroad, the U.S. congress has always made sure that American interests were served first. It authorized exports only after having studied every angle of the problem. I do not think any natural gas company in the United States could plan to export without submitting its program to the legislative body of that country and without showing exactly what route it would follow and how much gas it intends to export. This whole procedure makes it very difficult to secure a permit.

Unlike most of our other natural resources, gas is an exhaustible product. It differs from electricity which is a product that depends upon water power and water power abounds in this country. Once a river is harnessed, electricity can be produced from it almost indefinitely, or at least as long as the generators hold out. It is an inexhaustible resource, whereas natural gas is not. Let us take the case of Ontario. Towards the end of the last century, Ontario had a seemingly inexhaustible source of natural gas. I would not care to say it was wasted but it was used improvidently. Well, during the last three or four years this same province ran short of natural gas and had to import some from the

U.S.A. That is why we cannot blame members who oppose this bill, who demand explanations and cannot vote on it one way or the other unless they know where they stand.

What must not be forgotten is that gas is used not only to heat houses and industrial plants, but that it also is—and this is possibly its greatest advantage—a source of power. It is that twofold value which we must keep before us in this debate.

Canada is developing and its population is steadily growing. We are now in the midst, moreover, of a wave of immigration which some call exaggerated. We used to think that industry could only establish itself in the east, in the two central provinces. However, nowadays some industries are seeking to establish themselves in the west and especially in British Columbia. They ask only to spread evenly throughout this country so that every province and every district may enjoy a fairly uniform standard of living. We must guard against any risk of exhaustion of these natural gas reserves before we even begin to think of exporting it elsewhere than in British Columbia.

The press have been unanimous in their opposition to this bill, but they are in favour of a route which would allow the interests of that province to be served first, before the interests of the large cities in northwestern United States.

In support of that statement, may I be allowed, Mr. Speaker, to quote a resolution which was unanimously adopted by the British Columbia legislature. I quote only the last paragraph:

> Therefore be it resolved that the legislative assembly of the province of British Columbia urge upon the federal and provincial authorities concerned the advisability in the interests not only of British Columbia but of Canada as a whole, that such pipe lines be constructed through the Yellowhead pass and thence through the interior of British Columbia to Vancouver, with provision for the extension of the line to the Peace river block, so that when sufficient supplies of petroleum and natural gas are available in that area there will be an available outlet to market without unnecessary delay.

Mr. Speaker, this resolution was not passed by the British Columbia legislature as any ordinary measure. It stirred surprisingly high enthusiasm in view of the technical matter involved.

I would like to read from a press dispatch of the day following the passing of the resolution. It is readed: "Victoria unanimously supports B.C. pipe line". The dispatch goes on to say:

> The house got on its collective high horse Thursday. Party lines were forgotten as M.L.A.'s unanimously went on record for a gas pipe line from Alberta through B.C. to the Pacific coast.
>
> They feared that if they didn't do something, the U.S. would beat us to it.
>
> Even the public galleries grew enthusiastic. One after another, M.L.A.'s hopped up to say why, of course, the line should be in B.C.
>
> Opposition leader Winch said the C.C.F., too, wants the line in B.C. He urged the house to speak in a united voice for B.C. first, because there's a very powerful New York voice in the House of Commons . . .
>
> Everyone agreed pressure should be put on Ottawa to have the line in B.C. The resolution went through with flying colours and everyone thumped desks.

These quotations leave no doubt in our minds as to the doughty attitude of the entire legislative assembly of British Columbia. The provincial representatives have set an example that members of this house should follow unhesitatingly for, as I said a moment ago, natural gas is especially useful to industry. According to statistics supplied by the Department of Labour, Vancouver, one of our largest and most progressive cities, produced more than practically any other during the war. The past winter has been one of the worst in the city's history. There was more unemployment in Vancouver than anywhere else in the country.

The attitude of the British Columbia government and legislature is easily understood. This legislative body wishes to safeguard the future of that part of the country and the advantage of being able to supply natural gas to all the industries that settle in the province. This would provide employment for the people of British Columbia many of whom were without work during the past winter.

I said earlier that the sponsor and supporters of this bill have said nothing of the intentions of those who are applying for this charter, regarding the route they intend to follow in building the pipe line.

Well, the petition before the Senate today enables us not only to harbour no further doubts as to the intentions of the people applying for a charter but also to know once and for all that their project provides for the construction of a pipe line on a route that runs straight towards the United States, to serve the cities of the state of Washington before heading back towards Vancouver.

I shall read, with your permission, the description of this route. Among the powers requested by the petition in favour of the company, there are these:

To construct, maintain, own, operate and exploit one or several pipe lines to transport natural and artificial gas, and oil, within the province of Alberta and within the province of British Columbia, from a point in the vicinity of the city of Calgary in the province of Alberta to a point in the vicinity of Blairmore in the same province and thence to another point in the vicinity of Kingsgate in the province of British Columbia—

And here is the admission:

—and thence to the United States, leaving Canada at a point near Kingsgate in British Columbia and entering it again in the vicinity of Blaine in the state of Washington, and thence in a northerly direction towards Vancouver.

This shows the real intentions of the sponsors of this bill. The truth is now before us; that seems to me perfectly clear.

Those members who are anxious to conserve our natural resources and see to it that they are used to the best possible advantage of our people must oppose this bill. I am happy to notice that all the members of my party who have so far taken part in this debate have based their opposition to this bill on the same principle: Canada first and our friends afterwards.

I feel that the government, instead of protecting foreign interests by such a bill, should take the necessary means to allow the people to profit by the development of this natural resource.

Personally, since it is a matter of public utility, I feel that once these pipe lines are built and have reached a high degree of production the government should take them over in order to see that the people get all the natural gas they need. The users of these pipe lines will find the supply continuously decreasing. We therefore request the house to consider this viewpoint.

Canada, especially during the last ten years, has witnessed important discoveries. In the province of Quebec we have discovered the world's richest oxide and iron deposits. And the province of Alberta, one of the two provinces we are concerned with at this moment, has witnessed a discovery, a development and a marketing of petroleum which are truly unequalled in the whole world.

Well, I ask this house not to repeat the mistakes which were made at the beginning of the century when we allowed our natural resources to be exported without consideration for the people, without planning for the future and without making sure that future generations could use them.

In a country such as ours, where there is a sufficient quantity of these great natural resources, we shall not allow the people to go without that to which they are entitled. Before taking any action which may be regretted later on and in order to avoid, in regard to the natural resources which were discovered during the last few years and which our people will undoubtedly develop before long, the mistakes of the past, I am glad to state that I belong to the party which opposed this bill and which did so out of patriotic feelings based on the policy of Canada first. Such is the policy of the party to which I belong and I do not know of any better policy.

(Text):

Mr. W. J. Browne (St. John's West): Mr. Speaker, I fancy my intervention in this debate may be the source of wonderment to some hon. members, because I suppose no place could seem more remote from Alberta than the province of Newfoundland. But when we consider the many uses to which petroleum products are now put, when we consider the way those uses are being continually extended in the household, in industry and in transportation, I think it will be agreed that any hon. member of this house would be justified in speaking upon such an important matter. If we approach this as we should, as men having vision to look into the future as men had vision when they planned the construction of the transcontinental railways, I think we must regard these matters, and the work that has been done already in the oil development in Alberta, as only the beginning of a tremendous industry.

Many hon. members have knowledge of the importance attached to the oil industry in the United States. I believe it is not going too far to venture the assertion that this industry in Alberta may develop to the same extent. In the United States they regard oil as something more than an industry. I should like to call the attention of hon. members to a remark contained in the preface to a book called "A National Policy for the Oil Industry" by Eugene V. Rostow. This book was prepared by professors in economics and law at Yale university; in that preface the editor says:

Oil is more than one of the largest of American industries, in terms of the money, steel and men engaged in producing and selling it. Oil is an essential weapon of modern war, and oil policy must be judged ultimately from the point of view of national security.

When we apply that statement to the new oil industry in Alberta we may feel that the hon. member for Nanaimo (Mr. Pearkes) was right when he spoke of the importance of keeping these pipe lines within Canada, from the point of view of national security. If any further justification were needed for an hon. member, no matter from what province he may come, to take part in such an important debate, I think I could find that justification in two short articles I culled from the *Gazette* of March 21 of this year. The first is a column written by Frank Francis and headed "Trends, Talk and Trade". The subhead is, "Pipelines, Canada's wonder issue, still soaring," and the article goes on:

Textbooks say good news usage eschews superlatives, adheres strictly to simple facts. Well, one can adhere to simple facts but it is impossible to resist the urge to use all the superlatives in the book in describing what has happened to International Pipe Line 4's.

These were four per cent bonds issued by the Imperial Oil Company through one of its subsidiaries, in connection with the pipe line.

Yesterday this issue was quoted at 263-267. Probably these convertible debentures are worth this much. Some think they are. But the Street has long since given up trying to guess how high this issue will go.

The point is that this quote is up about 55 points over the week-end.

That was on a Monday, and over the week end it had gone up $55 on a $100 bond.

It will be recalled that it was originally offered at par last fall. Its rapid rise since that time has had no parallel anywhere, so far as is known.

Truly it can be said that this is and is likely to remain Canada's wonder issue from the standpoint of what has already happened in so short a time.

There was a message from Calgary published in the same newspaper on the same date, of which I shall read only part:

Crude oil and natural gasoline production in Alberta in the week ending March 13 increased almost 500 barrels per day to set a new all-time high of 74,123 barrels per day.

And then it goes on to list the accomplishments in the Redwater field and the various other fields where oil is being produced, and it continues:

The new record is almost 16,000 barrels more than the production a year ago at this time, all of which has been accounted for by the Redwater field.

Which is a comparatively recent discovery.

At the end of the new record week, a total of 1,335 wells in Alberta were capable of being operated.

Last year at the same time only 771 wells were capable of being operated. This is an increase of nearly 600 wells in one year. I believe those figures will give hon. members some idea of the extent to which this industry may yet develop.

I hope that what I have to say—and of course I do not know whether it will—will be a source more of illumination than of heat. I have listened to the debates on this subject this session and last session and I realize that this bill is now being introduced for the second time. I must confess that I did not understand it very well. Perhaps I do not fully understand it now. I am sure I do not. But I have made an attempt to do so because, as all hon. members will agree, we may have to vote on this measure. I am sure that other hon. members will agree with me that it is desirable to try to understand what one may have to vote on.

Whatever emerges from this discussion, I am sure that we are all in agreement that the province of Alberta is on the road to becoming fabulously wealthy.

I can remember, when I was a student at Toronto university many years ago, first hearing the magic name of Turner valley when it first came into prominence, and the great hopes that were then held for its future. Unhappily, however, we know that the province of Alberta did not realize the hopes which were engendered thirty-five or thirty-six years ago when Turner valley first came into production.

Mr. Harkness: They still got a lot of oil.

Mr. Browne (St. John's West): Yes, and they are still getting a lot of oil out of it.

An hon. Member: A lot of heat.

Mr. Browne (St. John's West): We are all familiar with the financial stress which the people and the government of Alberta went through during the thirties. We in Newfoundland are especially sympathetic with the people of Alberta and rejoice in their prosperity at the present time, because we were going through financial stress in those same thirties. While the government of Alberta adopted social credit as a solution to their problems, we adopted commission of government. The province of Alberta has since fallen on good times but, I am sorry to say, Mr. Speaker, since we got clear of the commission of government prosperity is not as booming as it was down there in Newfoundland while the commission of government was in existence. I trust—and I am sure we all agree on this—that the great wealth that Alberta now enjoys, and which seems to be without parallel in the history of any of our provinces, will bring happiness to her people and that that province will be the centre from which prosperity will spread to other parts of Canada and to other parts of America as well. To us who come from Newfoundland, your new province, where men are accustomed to work so strenuously and often to

work so long without any reward whatsoever, the stories we have heard sound like dreams. We want to see these great blessings which Alberta enjoys used for the benefit of all the people of Canada; and we hope perhaps that even our fishermen, who often labour for months with no return from their labours, may be able to get some indirect benefits from the prosperity of this industry in Alberta.

Judging by the report of the Imperial Oil Company last year, much of their effort was unprofitable. The manager said that they were disappointed but not discouraged. Not so the government and the people of Alberta. I do not know if it is correct, but I have been told that in some places Alberta natural gas is so cheap that it is more economical for the municipalities to let the gas burn all day in the streets than to engage someone to turn the lights out and to put them on again.

It is possibly a good thing that the government of Alberta is in the hands of such earnest men as those who compose the Social Credit government, men like those we have here in this house. But I feel sure also, Mr. Speaker, that any visitor who comes to this house and looks down upon the hon. members will be able to distinguish the members from Alberta from the members who come from any other province, owing to the fact that they have such a carefree way about them. They do not seem to have a care in the world because their province is now so prosperous that they have little to worry about; whereas we who come from the other provinces, especially those of us who come from the tenth province, have many cares to burden us.

As it is nine o'clock, Mr. Speaker, may I move the adjournment of the debate.

Motion agreed to and debate adjourned.

Mr. Speaker: It being nine o'clock, the house will now proceed to government orders.

OLD AGE SECURITY

APPOINTMENT OF JOINT COMMITTEE TO STUDY LEGISLATION, ALTERNATIVE METHODS, ETC.

The house resumed from Thursday, March 16, consideration of the motion of Mr. Martin:

That a joint committee of both houses of parliament be appointed to examine and study the operation and effects of existing legislation of the parliament of Canada and of the several provincial legislatures with respect to old age security; similar legislation in other countries; possible alternative measures of old age security for Canada, with or without a means test for beneficiaries, including plans based on contributory insurance principles; the probable cost thereof and possible methods of providing therefor; the constitutional and financial adjustments, if any, required for the effective operations of such plans and other related matters;

[Mr. Browne (St. John's West).]

That 28 members of the House of Commons, to be designated by the house at a later date, be members of the joint committee on the part of this house, and that standing order 65 of the House of Commons be suspended in relation thereto;

That the committee have power to appoint, from among its members, such subcommittees as may be deemed advisable or necessary; to call for persons, papers and records; to sit while the house is sitting, and to report from time to time;

That the committee have power to print such papers and evidence from day to day as may be ordered by the committee for the use of the committee and of parliament, and that standing order 64 of the House of Commons be suspended in relation thereto;

And that a message be sent to the Senate requesting that house to unite with this house for the above purpose and to select, if the Senate deems advisable, some of its members to act on the proposed joint committee.

Mr. Jean François Pouliot (Temiscouata): In resuming the debate, Mr. Speaker, on the motion of the Minister of National Health and Welfare (Mr. Martin) to establish a joint committee of both houses to give further thought to the social question, I wish to congratulate him again on that move, which will be most helpful to the country. At the outset, I must say that the minister has taken the greatest care to improve health conditions in this country since he has assumed the functions of the head of the Department of National Health and Welfare. I shall try not to repeat what has been said by my colleagues who have spoken on the matter, and I shall also try to consider the whole matter from a human rather than a political point of view. I am assuming, in the first place, that every hon. member of this house desires the well-being and good health of his fellow citizens. That is natural. Let us suppose that a Canadian left this country twenty-five years ago and returned today. He would be astounded at the progress that has been made in social legislation. Twenty-five years ago there was no old age pension; there were no family allowances; there was no pension for needy mothers—

Mr. Noseworthy: Good old days!

Mr. Pouliot: There was no unemployment insurance, and the age of the hon. member for York South was much less than it is now, and it is the same with all of us. There are many social advantages that the people who lived a quarter of a century ago could not benefit from. Now we have made progress in that direction, and although it is impossible to expect perfection in the field of social security, Canada is one of the leading countries in that regard because of the efforts of the Prime Minister and the members of his government, and particularly the Minister of National Health and Welfare (Mr. Martin).

Twenty-five years ago there were government annuities, but they were contributory.

There were some pensions for railwaymen, but they were also contributory. In these last years some benefits have been given that have been non-contributory in order to help the most needy.

I am very much interested when I hear a discussion about contributory social measures. In many instances those who are supposed to benefit from them have not the means to pay any contribution, and there are those who have been deprived of the means of paying any contribution. All hon. members of parliament must be familiar with some of those cases, which are due to poverty and ill health. Now we have the suggestion that a pension be given to invalids. There are hospitals where many invalids could be looked after: those who are fortunate enough to be able to pay for their hospitalization and care, and those who are not so fortunate, and those who through public assistance may go to the hospital and be looked after.

The people of Canada have a natural sympathy for invalids, all those who suffer, particularly and especially disabled persons. But we should not conclude that because a person is disabled he is needy. I knew the greatest lawyer who ever argued before the courts of the province of Quebec. He was disabled; he was a hunchback; nevertheless he was acknowledged as one of the brightest legal minds of Canada. Down home in Riviere du Loup the manager of a furniture factory was also a hunchback, but he had ample means and was the employer of quite a number of people. It is not only the disability that should be the reason for a pension. It should be the disability and the need because of some unfortunate circumstances that are difficult to establish.

It is very difficult to make a distinction between a disabled person who is needy and one who is not. But if the state is to consider these cases, each case should be considered individually. It is impossible to establish general rules in that regard, and probably that is one of the reasons why the disabled have not received a pension.

To what degree is a person disabled? That is the question that must be asked before granting a pension. But nevertheless the disabled deserve our sympathy, whether they are in a position to earn their own living or not. I know well a family where there are five children who are disabled and invalids. The five children are in one family. They are grown up now. They are hunchbacks. They are between thirty and forty years of age. They have been brought up without any help from the state, and I can only admire their parents for having taken care of them for such a long time. They could have gone to hospital and they would have been received there, and the cost of their hospitalization would probably have been paid under the public assistance legislation; but the mother and the father loved their children. The father was working to earn their living. The mother was taking good care of them and wanted to have them at home to look after them herself. I find it admirable. When it was suggested that they go to the hospital and be looked after by other people, just as is done in many other cases, the mother positively refused, and the children refused. They wanted to be together at home. Well, now, in very pitiable cases such as these it seems to me that these unfortunate people should be granted the same pension that is given to old people. In the case of old people it is age. They have the need on account of their age. That is the reason for the means test. The younger people who have suffered a greater disability than those who are old deserve the same consideration; and it would be much cheaper for the state to pay such a pension than to pay for their hospitalization. Considering the wages and the salaries that are paid in hospitals, the medical costs, the fees, the cost of treatment and so forth, it is impossible to look after an invalid and the disabled in a hospital as well as it is done in their homes and at the same cost. It would be much more expensive to look after them in hospitals than in their homes, if they are given the pension. This is the pension that has been requested for them.

I wish to be fair with those people. I do not tell them that they will have a pension—although I hope they will. I tell them I will never miss an opportunity to bring their cases before the House of Commons so that all hon. members may be made familiar with the circumstances under which they live, and the troubles they have.

In each individual there is an aspiration for justice, and there are cases which strike the imagination of all. We realize that there are family allowances for those under sixteen years of age, and pensions for the blind from the age of forty—

Mr. Martin: It is now twenty-one.

Mr. Pouliot: Yes, it is twenty-one now; and I congratulate the minister upon that. We realize that there are old age pensions and that there are pensions for needy mothers with children under sixteen years. This last-mentioned provision is made provincially, through a provincial organization.

Those who suffer disabilities which prevent them from earning their own living look at those people—and not with either envy or jealousy, because people who suffer are as a rule kind. But they will say, "How is it

that those people who are in no worse condition than we are receive indemnity, while we are deprived of it?" That is the point they consider.

I am deeply concerned when an argument of that kind is advanced by one who suffers. They may be living in the woods or in the back country, far from the railways. They may live alone, deprived of the amenities of life; but they are deserving of our sympathy.

I am not complaining about social legislation, because I realize it was needed. After the exploitation of the forests ceased to be what it was during the war, there were many families who relied upon social welfare grants for their living. A poor woman, the mother of twenty children, wrote me one day stating that, as the mother of twenty children, she was thankful for the establishment of family allowances by the government. That whole family must depend on family allowances. I will not say that this is generous, because in most families the amounts received for family allowances are used in the education of the children, and to dress them comfortably so that they may attend school. All this is in order.

But there are some other cases—and if there were not so many it would be easier to deal with them—who, because of illness, a lack of work or because of some other circumstances, find that they must suffer. There is no reason at all in a country like ours for people suffering from a lack of clothing, or from undernourishment.

I do not wish to discuss this point at length, but during the war I found that there were Canadians who did not have much money, and some of whom were settlers in the back country who did not have sufficient money to buy warm clothing for their children during the winter. The result was that the children had to stay in their camps, instead of going out to play in the snow and to breathe the fresh air. I suggested that secondhand military clothing should be given to them. It was not expensive, and it was at hand, and had been used. For a time I succeeded in getting some of that clothing. I obtained some long overcoats and tunics, the only condition being that they were to be dyed.

On New Year's Eve one winter, in Riviere du Loup, just at the outset of the war, I distributed three hundred of those garments, and sent packages to the back country settlements. But this was stopped by Colonel Ralston and his associate minister under the pretext of economy. What happened? While the white men could not have any more of those garments, the Indians were permitted to have them; and quantities of that clothing were sold at 24½ cents a pound to rag pickers.

Those who were in charge of the colonization offices could not buy them at any price. I tried to buy some and I was told that an order in council would be required. I bring this to the attention of hon. members to show once again the stupidity of some people, and their lack of heart. They did not understand that it was better to give to good Canadians those clothes that had been bought with the money of the Canadian people, and at least as many to whites as to Indians. Instead of that, only the Indians were served, and quantities were sold to rag collectors. Shame!

This was a simple way of furnishing warm clothing during the winter months so as to decrease the discomfort and poverty of certain areas. It is not necessary to have a complicated system and to consult the learned economists and the great social masters about what is done in this or any other country. Perhaps we may learn something from what happens in other countries, but we must consider first what happens in Canada. Those who contend that everybody in Canada is rich cannot be right, because twenty centuries ago our Lord said, You have the poor with you always. I have compassion for the crowd, because that is a condition of existence in this world. Conditions cannot be changed completely but they can be improved. That should be our aim without political partisanship. We should join hands to try to improve the condition of the rather small number of Canadians who need help so that they will be more contented to live in this country. I want my fellow citizens to be happy. These people are not exacting; they do not ask for much. All they are asking for is a kind thought and the consideration that they deserve because they are not able to enjoy the amenities of life that most of us do.

When I meet these people I feel great sorrow and I regret that I am not rich enough to help them. This cannot be done by the individual, it must be done by the state. But if the state does it it means that the money must come from the taxpayers. Those who receive gifts from the state should bow to the taxpayers in thanks. This applies to the youngest child in receipt of family allowances as it does to the centenarian who receives an old age pension; each one should bow to the taxpayer for what is being done for him, and at the same time should not forget that the Minister of National Health and Welfare (Mr. Martin) is his best friend.

Mr. Knowles: He should bow too.

Mr. Pouliot: I am glad that this step is being taken by the Minister of National Health and Welfare. A committee will be set up and hon. members will be able to submit their suggestions, if not personally at least through those

members of their party who will be on the committee. It is hoped that the committee can come to satisfactory conclusions as to how to improve the conditions of the poor, of the sick and of the disabled. There is no question but that we have prosperity in this country, but some sore spots still remain where people must suffer.

I would suppose that there are from 150 to 200 people in each constituency who suffer from disabilities that prevent their earning a livelihood for themselves and their families. Each hon. member should have a list of those special cases in his constituency which could be submitted to the committee. I had one prepared by the health unit in my constituency and it was found that there are from 150 to 180 cases deserving special consideration.

This is not a contentious matter or one in connection with which hon. members might use unpleasant expressions or proclaim that they are the only ones who are willing to do anything for their fellow citizens. That would not be true because we all want to do something. I am sure that the committee will do excellent work as soon as it starts to sit and I hope this motion will be passed tonight.

Mr. J. J. Smith (Moose Mountain): Mr. Speaker, there are a few observations I should like to make on this motion, and they will be brief and frank. Since coming to this house I have heard old age pensions discussed at some length. Amendments were moved by the oppositions to the speech from the throne at the last session and at this session condemning the government for failure to abolish the means test in connection with old age pensions. The supporters of the government were asked to support those amendments because it was claimed that in the election campaign we promised to do away with the means test. The government of the day has one supporter who did not make that promise during the campaign. I said that I was not in favour of the removal of the means test until the needier cases had been given assistance.

There seems to be one party, or at least one member of a party, who seems to forget that the supporters of the government are just as willing and anxious as he is that the needy people in Canada should be granted assistance. He would have readers of *Hansard* believe from the remarks of this hon. member that the rest of us are inhuman, that he is the only spokesman for the less fortunate people of our country. To hear him talk you would think that he was put on this earth for the sole purpose of looking after the needy people, and he was the only one capable of doing this.

Mr. Knowles: One could not ask for a better purpose.

An hon. Member: Whom are you talking about?

Mr. Lennard: Good advertising for somebody, whoever he is.

Mr. Smith (Moose Mountain): I am not a preacher nor a teacher and I have not had a university education. But I can speak on this subject from some practical experience. Since I was a young man I have been dealing with social services, not at the top level of government but at the lower municipal level. I was elected as a councillor and after serving two years in that position I was elected reeve of our municipality. I served as reeve for six consecutive years before coming here. According to the municipal records of Saskatchewan I was the youngest man ever to hold that office. I do not boast about that, but I am rather proud of it.

While I was municipal reeve I signed thousands of dollars' worth of cheques for social services, to help those who were not able to pay their hospital or doctor bills, to provide supplementary payments to old age pensioners and to those who were getting social aid. This idea of removing the means test in connection with old age pensions would be all right if the needier cases were looked after. I am thinking of those who are crippled, physically unfit, and through no fault of their own not able to look after themselves. I think they come first. Until they are taken care of I believe this talk of removing the means test from the old age pension is nothing but a lot of window-dressing and lip service.

If I may, I should like to refer to a case in my own constituency. In doing so, may I say that I am sure all other members of the house have had the same experience in their constituencies and also in almost all communities. When a municipal official collects taxes, just as the federal government does, to deal with social services, through taxation, they collect the money, make payments to those who are in need, and are never criticized if, in doing so, they provide, with a means test, money for social services to those who need it. It is possible that I might be a member of this house and not be very bright. There are many people who, I believe, are elected to the federal parliament possibly because the organization of the party put them there. But when a man is elected to a municipal council year after year he is running on his own steam.

When I was home at Christmas a man in my constituency asked me to witness a will. I knew him very well, and in speaking to him he brought up the question of the old age

pension. I said to him that I did not think he needed the old age pension and he said, "No, I don't need it, but I would take it." I do not know exactly how much money he has, but I would suggest it is somewhere around $50,000 in bonds and cash. I said to him that the old age pension would not be any good to him, that he would get it and then he would have to pay it back in income tax. He said, "I am not paying any income tax now; I get enough from the interest on my bonds and the cash to keep my wife and myself." Anyway, he said the income tax would not take much of it.

Then there is another man in my constituency—and there are many such cases—who is a returned soldier. He has a small family and has purchased a farm under the Veterans' Land Act. He is paying income tax. That is all right, but at the same time this returned veteran is keeping his crippled mother. She was paralysed shortly after he came back from overseas, and his father died about the same time. She is bedridden or else in a wheel chair. He is supporting his mother, who is around sixty years of age, and as yet the state has not recognized its obligation to give that woman anything to keep her. I wonder if we would be justified in imposing more taxation on that veteran in order to give pensions to old people who really do not need them. I would like to see the means test broadened. We might get away with it in this house, but if a member of a municipal council handled social services in that way, he would last about as long as a snowball would last in a hot furnace.

I am not going to speak a great deal longer, but there are a few things I should like to say further. Let us keep our social services as a social service. The old age pension is a social service. I commend the minister for introducing the motion to set up a committee to investigate this matter because I think it needs investigation. I am not too surprised at the attitude of the C.C.F. party. They have always advocated something for nothing, but I am a little surprised at the Conservative party and the stand that some of their members have taken on this question. To hear the leader of the official opposition (Mr. Drew) speak on this subject you would think it was as simple as one, two, three; and the same applies to the hon. member for Eglinton (Mr. Fleming). I do not know just why they take that stand.

Mr. Ferguson: Oh, oh.

Mr. Smith (Moose Mountain): I have the floor. I listened to a lot of your speeches and did not interrupt. The premier of Ontario takes a little different stand. I heard him say over the radio, and it was reported in the press, that old age pensions were the No. 1 problem of the Dominion of Canada. If it is the No. 1 problem, then it is not as simple as one, two, three. I am rather glad to note that there is at least one man in the Progressive Conservative party who is still speaking with common sense. If anyone is in doubt about where I stand on the question of old age pensions I hope I have made my position clear. My political opponents, if I have any, do not need to worry about the people in my constituency. I will see that they get my speech. A lot of people are worrying about how they are going to answer these little papers we received from newspapers. I am going to send them a copy of my speech and let the chips fall where they may. If anyone wants to insult me that is fine. They can say anything they like about me. They can say that I am an enemy of the old people but this is not true. My mother taught me when I was young to respect the aged and I have always done so. I am always mindful of the aged and am perfectly willing to help them any time I can do so.

I am not a poet, but there is a poem, part of which I remember from my school days. I will tell you the story leading up to it. The poem was in the Saskatchewan reader and possibly some members may have read it. There was an old lady who was trying to cross the street. Every time she went to cross the street she had to back up because of vehicles coming along and stopping her. There was a gang of boys farther down the street who were laughing at the old lady and joking about her plight. According to the poem one boy said:

> She's somebody's mother, boys, you know;
> I will help you across, if you wish to go.

I always remember that any time I am in a crowd. I am most mindful of the aged, and when I have a chance to help them I do so. I am not boasting, but I am rather proud of the fact that two weeks ago Sunday, when we were through curling, my deskmate let me off at the Chateau Laurier and I was waiting for the bus. I was standing in a crowd of some twenty men and women. I was not out in front. A little old lady came along, passed by some and said to me, "Son, will you help me cross the street?" I said, "Lady, I will be glad to do so." I do not know why she picked me. I do not think I look so kind, but I was watching, and I always do, for some aged person to help if I can.

There always has been a means test with old age pensions, there is now, and there always will be. The minister has introduced

this motion to send the matter to a committee and I hope that the result will be successful. Regardless of whether or not it is on a contributory basis, we will always have a group of people whom we will have to help further and there will always be a means test. There has been a lot of talk about public opinion. I do not think public opinion is too strong on this issue. I believe the people of Canada realize that the government—our friends in the opposition will say it was under pressure, but let that pass—has recognized the fact that we must look after the unfortunate; that, as the saying is, the strong must carry the weak. That will always be the case; but in regard to having this free and that free, or getting something for nothing, I believe this idea is petering out.

Mr. Angus MacInnis (Vancouver East): I think we can say one thing for the hon. member who has just taken his seat; that is, he has the courage of his convictions. I have before me excerpts from speeches made in the House of Commons and the Senate—I suppose I should say "the other place"—in 1926 and 1927 in which I find thoughts very similar to the speech to which we have just listened. Perhaps I might give one quotation. I shall not name the person who made the speech, but it is taken from Senate *Hansard* for 1926, the year the old age pension bill had passed the Commons and was turned down by the other place:

> If this bill passes, the obligation of the children to look after their father and mother and grandmother and grandfather goes by the board . . . Is it judicious for us to impose upon our country such socialistic legislation as this—because it is nothing else—when there is no call for it?

The only difference between what this gentleman was saying in 1926 and what my hon. friend said tonight is that this is 1950, and the world has made considerable social progress since 1926. In 1926 many people called the old age pension act socialistic legislation and put the blame for it on the two labour men who were in the house at that time. Tonight, however, there are very few members who would get up in this house and call old age pensions socialistic legislation. Perhaps the prime minister of that day had a better understanding of the social implications of a measure of this kind than the member who has taken his seat. The prime minister at that time was Right Hon. W. L. Mackenzie King, and this is what he said in introducing the measure:

> There is need for society to assist in the protection of its members against a condition which simultaneously places burdens upon the worker whose day's work is done, and on the worker whose day's work is just beginning. If the young are to be given a fair start in life, the care of the aged should not be their first responsibility.

I think most people would agree with that statement.

Coming to the resolution before us, I am sure it must be very disappointing to a great many people in Canada. The matter of old age pensions has been before the people of this country ever since it first became an issue in 1926, and it became law in 1927. Since I came here twenty years ago there has not been a session when we have not debated this question. It was debated at considerable length in 1931, and if I had time I should like to put on record some of the statements made at that time. This will be a disappointment to a great many people in Canada because they have been looking forward, not to a committee to investigate the abolition of the means test but to the abolition of the means test itself. As a matter of fact the country came very close to having the means test abolished in 1945, when it was included in the proposals made by the federal government to the dominion-provincial conference of that year. I shall read just a short paragraph which appears at page 37 of the proposals of the government of Canada:

> As part of the general proposals now put before the conference, it is proposed that the federal government would establish a system of national old age pensions entirely financed and administered by the federal government, and paid at the uniform rate of $30 per month regardless of means to men and women aged seventy and over in all parts of Canada.

Nothing could be clearer than that proposal. The government of the day, a Liberal government, was prepared to abolish the means test for those seventy years of age and over, and there was no question of where the money was to come from. They knew all about that. They knew, because during the war they were able to find all the money required to pay for our war needs. If we can find money to buy guns surely we can find money to look after those who built up this country, the fathers and mothers of those living in this country today.

I have three or four objections to the resolution now before us. In the first place I regard it as merely a stalling action on the part of the government. This idea occurred to the minister himself, and he referred to it. It would be strange if it had not occurred to the minister, because it is a tactic or manoeuvre with which this government is very familiar. In the session of 1943 and 1944 we set up a parliamentary committee to consider a draft bill providing for national health insurance. Perhaps that bill was not brought before the cabinet, and certainly it never received the endorsation of the cabinet, but

the understanding that was conveyed to the people was that it was a government bill to provide complete health insurance on a national scale. I was a member of that committee. We discussed the bill seriously and in detail for two sessions. Then came the election of 1945; the government was returned to office, and we heard no more about national health insurance. Then when we arrived here in 1948 there was another great issue before the people of Canada. Prices were soaring. The people were finding their income being reduced every day. Something had to be done to keep the people quiet. All the members knew of the feeling in their constituencies. Opposition members would speak about it. Whether the members of the government would speak about it or not, they knew from their constituents what the attitude was with regard to rising prices.

The prime minister of the day proposed a resolution to refer the question of prices to a committee. The present Minister of National Health and Welfare (Mr. Martin) was made chairman of that committee; and he knows at least one thing, namely, how effective a committee of this kind is to prevent a question from being debated in the house and how to give the impression that the government is doing something when it isn't. The committee sat for a whole session and brought in a report which was approved by parliament but about which the government did not do anything. Then when parliament adjourned a royal commission was appointed; but during the whole time that the parliamentary committee and the royal commission were sitting, prices were going up every day. The only people who made anything out of the committee and the royal commission were the solicitors who were employed at $125 a day to guide the proceedings. The whole cost of that investigation was almost $300,000 and the country did not get that much—and I snap my fingers—for it.

I have another objection to the resolution. The terms of reference are too narrow. Is not the day long past when this parliament should appoint a committee to investigate the matter of old age pensions separated from all other forms of social services? If a committee is to be set up at all, surely what we should do is to investigate the possibility of enacting a full program of social security for our people. But that is not what we have before us.

Old age is only one of the contingencies or one of the hazards that people meet in this modern world. There are a number of others for which provision must be made by society or, if you like the word better, by the state. What is the state? In a democratic country, is not the state an instrument that the people have fashioned for themselves to do collectively what they are not able to do for themselves as individuals? Surely whatever the people decide to do is proper for them to do.

I have a third objection to the setting up of the committee, and it is this. If the figures that have been reeled off so glibly by the minister, by the Prime Minister (Mr. St. Laurent) and by lesser members on the government side who spoke on this subject have any significance, value or content at all, we already have all the information necessary to take action.

I have still another objection to the committee. If the minister, in bringing information to the proposed committee, will not be more objective than he was with regard to the information he gave this house when he introduced this resolution, in my opinion the information we shall get will not be of much value. I am going to draw to the attention of the house a statement that was made by him when he was referring to social security legislation in New Zealand, and particularly to the old age pension part of their social security program. This will be found at page 638 of *Hansard:*

> The present old age pension under the plan in New Zealand amounts to £32 10s. a year, or something less than $100 a year. This amount increases annually by £2 10s., or $7.75, and will eventually, in 1988, reach a maximum of £130 a year, or roughly $400 in Canadian funds. Our maximum pension now in this country is $480 a year.

I submit to you, Mr. Speaker, that that is a misstatement of fact. The minister, in the words quoted, was not referring to the old age pension in New Zealand at all. When the minister was explaining the New Zealand old age pension I tried to get him to tell the house what the eligible age is for the old age pension in New Zealand. He mentions it here as sixty-five; but the part of the social security program he was referring to was universal superannuation and not the old age pension. I can understand the hon. gentleman's reluctance to give the facts. The old age pension in New Zealand is paid at the age of sixty years to men and women; and if the wife of a pensioner is not of an age to receive the pension in her own right, she may be and generally is paid a sum similar to the amount that her husband receives. The universal superannuation which is payable at the age of sixty-five began in 1940 at an initial amount of £10. It is increased every year by £2 10s. and now stands at the amount of £32 10s. It will reach its maximum amount of £130 in 1988. But it will not replace the old age pension when it reaches the maximum, as the minister suggested. There is no suggestion of that in any New Zealand legislation or in any statements

that have come to my attention. I do not know what the present government in New Zealand may do with it, but until it is changed we might as well have the facts.

Let me now draw to the attention of the house the fact that in New Zealand there is in existence a complete social security program. It provides for the universal superannuation at the age of sixty-five, as I have mentioned, without a means test. It provides for an old age pension at the age of sixty with a means test, but a means test that is much more generous than the one we have in Canada. I have not time to explain the difference, but if the committee is set up—and I suppose it will be set up regardless of anything that I may say in opposition to it—it is also likely that I shall be a member of that committee; and I shall see to it that the information reaches the committee.

Let me recite the benefits under the New Zealand social security program: Universal superannuation, old age pensions, mothers' allowances, orphans' allowances, family allowances, invalids' benefits, miners' benefits—that is for miners who contract miners' diseases—unemployment and sickness benefits, and over and above all these benefits, all of which are paid in the same amount as the old age pension, that is £130 a year—there is an emergency benefit which the board, at its discretion, pays if the individual concerned is not covered by any of the benefits that I have already mentioned. Besides that there are medical, hospital, maternity, pharmaceutical and other special benefits for diagnosis, X-rays and that sort of thing. The services are financed by contributions on an income tax basis of 7½ per cent. If that does not provide sufficient to take care of all benefit payments, the balance is paid out of the consolidated revenue fund.

I have the appropriation figures for 1948. In round figures the 7½ per cent tax brought in £29 million; miscellaneous receipts, £122,000; and general taxation, £15 million. The administrative cost—and this is what I want to draw to the attention of hon. members—was less than 2 per cent of the benefits paid. If we are to have a contributory old age pension scheme, I would suggest that hon. members look at the administrative cost of our unemployment insurance scheme before they embark on another such plan. I have the figures before me and they are illuminating. In the fiscal year 1947-48, the benefits paid out for unemployment insurance were almost $35 million. The administrative costs were $17,600,000. More than 50 cents was paid out in costs for every dollar paid out in benefits. In 1948-49 the benefits paid out were about $50 million, and the administrative costs were almost $19 million. They were not quite so high, but still very large proportionately to the benefits paid.

The minister would have done himself and this house a service if he had given the New Zealand program its proper evaluation. He would not tell the house what the eligible old age pension age was because he did not want hon. members to know that in New Zealand the eligible age was sixty and in Canada seventy. May I remark that so far as I know there is no other country in the world that has an eligible age of seventy.

A few days ago we heard from the Minister of Fisheries when he spoke in another debate. He told us of his attendance at the meeting of the International Labour Organization at Geneva. He told us what a useful organization it was, and it is. It is the only organization that was connected with the old league of nations that has survived. I wish to read to the house what the international labour office had to say about the New Zealand social security program.

> It is clear that in New Zealand we are faced with a social security system of a unique and novel character. It assures a minimum of subsistence to every citizen and his dependents in any emergency which may deprive them of their livelihood, and also a complete range of health services. All expenditure is defrayed from the social security fund, which is mainly fed by contributions. While the contributions are proportional to income, cash benefits vary with need.

Surely that is the kind of program that we want for Canada. I could repeat what other authorities have had to say about New Zealand social security, but time does not permit. However, before I leave it there is one other remark I want to make in regard to it. The minister mentioned that £32 10s was approximately $100 in our money. On September 17, 1949, the New Zealand pound was worth $4 in Canadian money. With the devaluation in Britain the New Zealand pound fell to $3.08, but the pound would still buy as much in New Zealand as it did on September 17, 1949.

I know the minister will have later information than I have, and if he wanted to tell the house the whole story he could have told it that in terms of purchasing power, food that could be bought for £100 in New Zealand would cost £172 in Canada. That was the relation in 1945. The spread is still greater in 1950, because the cost of living went up 11 per cent in New Zealand from 1945 to 1949 and 35 per cent in Canada in the same time.

Before I proceed any further, there is a point I want to make, and I want to be sure I will have the time to do it. I want to make it clear beyond the possibility of any misunderstanding where this party stands in regard to social security. We favour an over-all social security

program, financed by contributions based on ability to pay. That is our position. Let me say further that we are opposed to the insurance principle, where each one takes out according to what he puts in. I am opposed to such a system because it is impossible to put it into effect. I am also opposed to it because, out of the incomes the great mass of the Canadian people are receiving individually today they cannot put by, either voluntarily or compulsorily, sufficient funds to take care of the various contingencies, including old age, which they will have to meet sooner or later. They have never been able to do that, and they are not able to do it now.

Let me draw to the attention of the house just a sentence from the report of the governor of the Bank of Canada to the minister of finance of that time on the operations of the bank for the year 1944. In this paragraph the governor was referring to the sale of victory bonds, five or six issues of which had been sold at that time. This is what he said:

> For many individuals victory bonds and war savings certificates purchased during the war period represent the first significant backlog of savings they have ever been able to build up—

That is not the end of the sentence, but the other part is not as important, and each could be a sentence in itself. The other part is:

> —and it is apparent that some high-pressure promoters of dubious or worthless securities are attempting to exploit these savings.

We will leave that part out for the moment, and consider the first part of the sentence, where Mr. Towers makes it clear that never before the war were the great masses of our people in this great and rich country able to save anything worth while. But they saved during the war partly because there was full employment, and, partly, because they could not buy certain consumers' goods and, besides, because of compulsory saving.

If the national income were distributed equitably, a contributory system might work; but, as I said before, its administration would be extremely expensive. But the income of the country is not distributed equitably; and any attempt by compulsion to make people who are already living below the standard of health and decency to provide through compulsory contributions for their old age will only intensify their poverty now, and means will have to be taken to make up for the income taken away.

Let me draw to the attention of the house the present position, so far as savings are concerned. The great mass of the people in Canada who had war bonds and war savings certificates have them no longer. The only other savings they have will be cash in savings accounts in the chartered banks. Every year a statement of loans and deposits, both savings and current, as at September 30, is tabled, and every hon. member has access to it. That return gives the number of accounts in the various categories. Those categories are five in number, and constitute (1) deposits of $1,000 or less; (2) deposits over $1,000 and up to $5,000; (3) deposits over $5,000 and up to $25,000; (4) deposits over $25,000 and up to $100,000; and (5) those in excess of $100,000.

I have the figures for 1948 and, with the exception of the fact that the total amount in the savings banks was greater in 1949 than in 1948, there is very little difference. We find that there were 6,605,952 persons who had savings accounts in our chartered banks, to a total amount of $4,048,535,319.

It looks pretty good, when we see that 6,605,952 Canadians have savings accounts. But the savings accounts of $1,000 or less numbered 5,718,549 and aggregate deposits totalling $953,101,895, or about $166 each.

Mr. Knowles: Most of them must have about a dollar and a half.

Mr. MacInnis: While 5,718,549 persons had $953,101,895 in savings accounts in the banks, we find that 887,403 persons had $3,095,433,424. If those figures mean anything at all, they must mean that the great bulk of the Canadian people have never been able to save enough to take care of a rainy day—and never will, under our present system of distributing wealth.

I said a moment ago that what we should be discussing now is not whether we have old age pensions on a contributory basis, on an insurance basis, with a means test, or without a means test. We should be considering an over-all social security program.

A large number of our unemployed are not covered by any benefit fund. Sick people are not covered; invalids are not covered; medical services are not provided; nor are hospital services, except in one or two provinces.

We have considerable social security services in the country, and it would be folly to deny it. But what we should seek to do is to integrate all of these under one scheme. The reduction in administrative costs alone would justify our doing so. I appreciate that this would require constitutional changes; but we have made constitutional changes before, and we should be prepared to make them again.

In the few minutes left, let me touch upon the question as to how we are going to provide these social services. During his speech the Minister of National Health and Welfare (Mr.

Martin) was good enough to refer to a statement I made in the house last year. If I may do so without seeming to place too much value on my own opinion, I should like to quote four lines from the excerpt read by the minister. They are these:

When we provide social services of any kind we are providing material things such as food, clothing, shelter and services of one kind or another, which must be produced by those who are working.

I think most hon. members will agree with that—that what we are providing for our old people is food, clothing, shelter and certain services. All of these things that our elder citizens will consume in 1950 will be produced in 1950. What they consumed in 1949 was produced in 1949. You cannot save eggs when you are twenty-one to eat when you are seventy. Nor can anybody save anything else. The hon. member for Peace River (Mr. Low) put that point quite clearly when he spoke in this debate. I am prepared to go along that far with the hon. member for Peace River and his party, but I cannot stay with them when they maintain that we can transfer the ownership of commodities from one person to another by merely issuing money.

Let us understand our economic system. The various parties to production have claims of ownership on the total value of the production. If all of the production cannot be consumed it is not because there is not enough money put into circulation in the production process; it is because, as I pointed out in the case of the savings account, some people receive more than they are able to consume while a great many receive much less than they are able to consume. The providing of social services is a means of equalizing the distribution of the national income. That cannot be done without taking from those who have more than they need and giving to those who have less than they need. I do not think anyone should be ashamed of taking part in organizing a measure that will perform that service.

The hon. member for Macleod (Mr. Hansell) spoke on this matter. I do not see him here tonight but I wish to thank him for the kindly reference he made to myself. When he tried to tell the house how these measures could be financed I felt that either one of us, to use the language of the street, was "nuts". Because of the kind things he said about me I am not prepared to say which one.

I see you are getting uneasy, Mr. Speaker, and I shall relieve your uneasiness right away. May I say to the minister that this resolution is unworthy of this house.

An hon. Member: In your opinion.

Mr. MacInnis: And a very good opinion it is. What we should be concerning ourselves with at this time is how this great and wealthy country can provide for its people so that no Canadian will be in want. Either we should do that or we should stop boasting about the greatness and the wealth of our country. Unless we do what I propose we are not making proper use of our wealth.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I am rising for the first time during the debate on this motion to deal with certain points that have been raised and particularly because of some comments which have clearly indicated a misunderstanding of the position taken by this party in regard to old age pensions. One of the hon. members who spoke this evening saw fit to take me to task for what he thought was my position in regard to old age pensions. I do not blame him for his error because I would be surprised if he had not absorbed some of the propaganda which has been employed to create an impression which has no relation to the realities of what the situation has been and is today.

The thing that is most disturbing to me with regard to this motion is not the subject matter of the motion or the fact that information will be obtained in this way; it is the indication that has been given in advance of the motion being dealt with that the government has receded from the position it took so definitely in 1945 and in fact on many occasions since then.

Mr. Martin: If that is the situation.

Mr. Drew: I am demonstrating clearly that it is the situation and that there is good cause for alarm and concern in the indications we have had as to the position of the government in connection with these immensely important requirements for the care of the aged people in this country.

During the course of this debate the suggestion has been made that with a contributory old age pension plan many of our old people would be deprived of the pensions they require because they would not have had an opportunity to pay into the fund an amount that would provide for proper pensions. That is absolutely contrary to every suggestion that has been made in regard to contributory plans.

After all, it is the same thing as unemployment insurance. The amounts are fixed, the contributions are fixed, but in order to qualify for the amounts provided by the statute it has never been stated that it is necessary for a person to have contributed a capital amount necessary to provide the payments. I want to make it quite clear that at no time, either in any suggestion of mine or in the suggestions put forward by this government at a

time when they were putting suggestions forward without any qualifications in regard to old age pensions without a means test, was there a suggestion that these pensions would not be payable as a matter of right in accordance with the stated amounts. The question whether a pensioner might have had time to make full contributions in order to provide for his pension was never the subject of consideration.

In any remarks that I make about a contributory system of old age pensions I wish to remove any possible doubt that the pension should be payable at the stated amount to every pensioner, no matter how long he has been contributing. I say that now so that it cannot be subsequently suggested, as has been suggested, that the contributory plan we are proposing is one which would leave a number of our older people without provision for their old age, and in other cases would provide only a limited amount of pension. I have said that there was some reason to be concerned about the change of the position of the government as to this matter. There is not any question about it that in the submissions to the dominion-provincial conference in 1945 the dominion government proposed a plan of old age pensions without a means test. That was not a conditional proposal. It was not a proposal that was put forward with any suggestion that the dominion government still had to call in a lot of expert advice to find out whether or not they could do it. It was a definite and positive proposal, and I can say, as others here can say, that the provincial governments there represented discussed it with the understanding that the proposal was definite and would be carried out.

The explanation for not carrying out that provision was not that the government did not have the information. That is only a new discovery. The explanation that was given was that they had not been able to get agreement with the provinces, and consequently these beneficent provisions have not been carried out.

Mr. Mutch: That is a statement of fact.

Mr. Drew: It is the kind of fact that some of the members of the government and their supporters have been repeating without any relation to reality or truth.

Mr. Mutch: You should recognize better than anyone else if that is the truth.

Mr. Drew: Of course I recognize that the hon. member who has just spoken now does not agree with the plan that was put forward in 1945 anyway. I am talking about the statement put forward by the government and which enunciated principles that have been roundly condemned by the member who has just spoken.

Mr. Mutch: That might be an honest opinion. I was not talking through my hat.

Mr. Drew: I do not question that it was an honest opinion. It is a very comforting thing to find an honest opinion expressed once in a while on that side of the house. The point I am making is that the speech the hon. member made in Toronto to a group of businessmen, and which he repeated in the house with certain explanations and amplifications, was a speech that took issue in a very clear and understandable way with the principles enunciated at that time by the dominion government. Those principles were stated without reservation, and perhaps the hon. member may have also noticed that, when I said that the explanation given by the government was that they had not been able to carry this out because there was not agreement with the provinces, immediately the Minister of National Health and Welfare (Mr. Martin) and the Minister of Resources and Development (Mr. Winters) nodded their approval of that statement.

Mr. Martin: What statement was that?

Mr. Drew: The statement that the reason the government had not been able to carry out the program that they put forward in 1945 was that they had not obtained agreement of the provinces.

Mr. Martin: Is that not right?

Mr. Drew: No, it is not right, and it has never been true at any time. It has never had an atom of truth behind it, never at any time.

Mr. Martin: Mere assertion is not argument.

Mr. Drew: No one knows that better than you do because you have been asserting this for years without any relation to what the facts are. In a few minutes I will demonstrate by actual quotations from different members of the government just how far the government has moved. This was the statement of Mr. Ilsley on June 27, 1946, in regard to this very matter, to be found at page 2914 of *Hansard* of that date:

> Nor can it introduce the over-all plan—

He was speaking of the government.

> —of social security we had contemplated without at the same time reaching a satisfactory financial agreement with the provinces. Several of the major objectives of the comprehensive dominion proposals which were announced last August must therefore be held in abeyance for the time being. They remain, nevertheless, an essential part of the program of this government.

That was old age pensions without a means test. There is no question about that. They did not have to inquire at that time whether they should or should not have old age pensions without a means test. On June 24, 1947, the present Minister of National Health and Welfare had this to say at page 4596 of *Hansard* of that date:

> My hon. friend knows that in the proposals which the government made to the provinces, proposals which were our policy in 1945 and every day since have continued to be our policy, this government is prepared to bring in legislation once it can get agreement with the provinces on fiscal matters.

He did not say that they had to find out from a committee which kind of old age pensions they were going to have. They were prepared to bring in legislation without asking anyone else to tell them what they could do. That has been the position that has been stated by members of the government. Then the Prime Minister (Mr. St. Laurent) on March 9 last year said at page 1302 of *Hansard*:

> The proposal for contributory over-all social insurance was one of those put forward by the federal government at the last dominion-provincial conference and about which it was not possible to reach an agreement. There has been no indication of any change since that time in the attitude of the representatives of the provinces who were opposed to the proposal put forward by the federal government.

The provinces did not oppose that proposal at any time, and I challenge any member of the house to find one place in the record of the dominion-provincial conference where the proposal for old age pensions without a means test was opposed or challenged by the representatives of any single provincial government in Canada.

Mr. Martin: I will meet that challenge right now. The proposals with regard to old age pensions put forward by the government in 1945 were a part of a pattern including proposals for health insurance, public investment and a whole series of matters. As my hon. friend knows, the proposals could not be taken singly. They had to be viewed as part of a pattern, and that pattern was opposed. My hon. friend, who was premier of the senior province at that time, was one of those who headed a government that was not prepared to enter into a fiscal agreement with the dominion government, which was a condition precedent to the whole proposal put forward by the government.

Mr. Drew: Mr. Speaker, the applause that followed that wholly inaccurate statement is merely an indication of how little members know of what took place.

Mr. Ferrie: The people of Canada all know that you sabotaged that conference, and you know it.

Mr. Drew: You see, Mr. Speaker, we are merely receiving further demonstrations of how otherwise sensible men are misled by propaganda regarding things they do not know anything about at all. I intend to remind the Minister of National Health and Welfare, who was not one of the representatives at that conference, that the government of the province of Ontario never at any time opposed this proposal, never once. I remind the hon. member that the conference considering these proposals adjourned on May 3, 1946, with the statement by the then minister of finance (Mr. Ilsley) that they needed time to consider the various proposals then before them; and on that day the conference adjourned *sine die* with the clear understanding, stated by the minister, that the conference would meet again when those plans had been examined.

The financial measures to which the Minister of National Health and Welfare (Mr. Martin) is referring were not financial measures settled in a conference. Those financial measures were terms stated in June, 1946, without consultation with the provinces. They were terms the provinces were told they could take or leave; and they had no relationship to these general proposals put forward in the summer of 1945. Those proposals did not enter into the financial arrangements in any way.

Some hon. Members: Oh, oh.

Mr. Drew: Well, of course, that simply demonstrates the ignorance of hon. members in regard to what did take place. The financial proposals put forward in June dealt with the financial arrangements the dominion government alone was prepared to offer in return for the provinces vacating certain tax fields. That was all. There are no other terms in that proposal; not one reference in those agreements to health, social security, construction or anything else.

Mr. Harris (Grey-Bruce): We got tired waiting for them.

Mr. Drew: I could not help hearing that interjection. The government did not get tired waiting for them. The conference adjourned on May 3, 1946, with the statement by the Minister of Finance that they required time to examine those proposals. Then, without waiting to reconvene the conference, they said, "Take these, or else."

Mr. McCann: They never promised to reconvene the conference. I was there at that very time.

Mr. Drew: The minister who has just spoken was not a delegate at that conference.

Mr. McCann: No; you were the outstanding delegate.

Mr. Drew: I remember very well who the delegates were, and the minister was not one of them.

Mr. McCann: No, I was not a delegate; but I was a listener.

Mr. Drew: If the hon. gentleman was a listener and wants to find out what actually did take place let him read the verbatim record. He will find that just before the motion was put the present premier of Nova Scotia, who was also premier at that time, said, "I take it this does not mean that the conference will not meet again?" Immediately following those words the question was put, and the conference adjourned on that understanding.

Mr. McCann: But there was no answer to that question.

Mr. Drew: No answer to that question? Any honest man—

Some hon. Members: Oh, oh.

Mr. McCann: They are all dishonest but you.

Mr. Drew: Any honest man certainly would have raised some question himself if that had not been the understanding in the mind of everyone present. It was the understanding upon which the conference adjourned, and it was the understanding which led to a continuing demand for that conference to be reconvened.

Mr. McCann: Why did seven provinces enter into agreements if that was the understanding?

Mr. Drew: I realize, of course, that at this hour on Friday evening the minister may find it a little difficult to contain himself; but I wish he would do so for a short time, because he might learn something of what took place at the conference at which apparently he was present but did not listen.

Mr. McCann: My recollection is as good as yours.

Mr. Drew: The proposals put forward by the dominion government were not the only proposals put forward at that time.

Some hon. Members: Hear, hear.

Some hon. Members: Oh, oh.

Mr. Drew: The loud laugh bespeaks the vacant mind. They were not the only proposals. Every province had proposals to put forward. The province of Ontario had printed proposals, which can be examined today in addition to the verbatim record. This is what the province of Ontario said in clear and unmistakable terms about old age pensions, as it appears at page 35 of its official submission:

> It is recommended that old age pensions should be paid to all citizens over sixty-five without a means test.

That is definite enough. That was the position we took then and the position we have continued to take. That indicates that, quite contrary to there being any opposition, the province of Ontario had clearly and definitely stated what it wanted in regard to old age pensions.

That position should not be so difficult for some members of the government to accept. When one of the members of the C.C.F. party offered the suggestion that at that time the dominion government had proposed that old age pensions should be paid without a means test, sharp objection was taken. In making this statement I say very definitely that our proposals have always been for a contributory plan, but I recognize the fact that the C.C.F. party has taken a different position. I do want to say very definitely that the hon. member of the C.C.F. party was quite right when he said this had been put forward by the dominion, and that old age pensions would be payable not as a contributory plan in the ordinary way but by the dominion government co-operating with the provinces. However, they were going to charge a special tax to everyone for the purpose of these measures; and that was definitely one of the things to which the government of Ontario raised some objection.

One of the proposals of the dominion government was that there should be a poll tax, estimated at $5, for everyone in the country sixteen years of age or over, whatever their income might be. We did say definitely that we did not believe the poll tax was a proper system of taxation, and I certainly have no regrets at having expressed opposition to a plan of that kind. I notice that suggestion has been dropped ever since that time, and it is not now proposed that any plan of this kind may be financed by a poll tax. That poll tax, I may add, was disguised. It was not called by that objectionable name, but was called a registration fee. But it was to be paid by everyone sixteen years old or over; and the Ontario government was by no means the only government to object to that proposal.

When the suggestion was made that the C.C.F. member who raised this point was quite wrong, I could not help recalling a speech made by the Minister of Trade and Commerce (Mr. Howe), who is reported as having said at Armstrong on May 20, 1949:

> Our objective is health services for all at the expense of the state.

That is clear enough. That was a positive statement, which I presume was supposed to be taken seriously at that time. I grant that most of the other ministers did not go quite that far. On June 16, 1949, the Minister of National Defence (Mr. Claxton) was reported as saying:

The government will do away with the means test for old age pensions.

I emphasize those words. He did not say, "We will appoint a committee to find out if we are going to do away with it, or if it can be done away with." He said the government would do away with the means test. Then on May 28, at Nelson, British Columbia, the Minister of Fisheries (Mr. Mayhew), as reported by the Canadian Press, had this to say; and there has been no subsequent amendment of this statement:

Provision of hospital services for the people of Canada and compulsory contributory superannuation are measures expected for the next session of parliament if the Liberal government is returned.

No committee, no inquiry, no doubts! The government knew what it was going to do. May I read it again:

Provision of hospital services for the people of Canada and compulsory contributory superannuation are measures expected for the next session of parliament if the Liberal government is returned.

Mr. Knowles: This is the second session.

Mr. Drew: Oh, yes; that, of course, referred to the last session.

Mr. Martin: You are getting closer over there.

Mr. Drew: Oh, it might be a long time—

Mr. Martin: No; I meant the two groups were getting closer.

Mr. Knowles: In other words, old age pensions are not getting closer?

Mr. Drew: Of course, it is not so many months ago, as time goes, that we were told that socialists were only Liberals in a hurry. I hope the hon. member has not forgotten that.

Mr. Martin: That the Saskatchewan people were Liberals in a hurry.

Mr. Drew: Oh, no.

Mr. Martin: Oh, yes.

An hon. Member: Get it straight.

Mr. Drew: Oh, no. I have the text of that.

The Acting Speaker (Mr. Beaudoin): Order.

Mr. Drew: Then naturally we should be interested in what the Minister of National Health and Welfare (Mr. Martin) had to say. On June 8, speaking at Oshawa, as reported in the Toronto *Daily Star* of June 9, the Minister of National Health and Welfare had this to say:

The Liberal government plans to call a dominion-provincial conference to discuss the establishment of a contributory scheme for old age pensions to start at sixty-five once the election is over and the political heat is done.

Mr. Martin: That is exactly what this government is doing.

Mr. Drew: Oh, no.

Mr. Pearkes: It is taking them a long time to carry it out.

Mr. Drew: That is exactly what the government is not doing. That is exactly what the government is failing to do. Instead of calling a dominion-provincial conference to put into effect a contributory old age pension scheme at the age of sixty-five without a means test, as stated by the Minister of National Health and Welfare on June 8, they are appointing a committee to find out whether they should even suggest a plan of this kind. That is exactly what they are now proposing. They want to find out from a committee whether or not what they said then should really be put into effect. Oh, no; it is not the same thing by any manner of means.

This is not anything new, Mr. Speaker, because in 1945, which was the year in which the conference to which I have referred met, in an election which had taken place earlier one of the statements published by the national Liberal committee, in an advertisement put forward under the heading "Just Plain Sense!" is this one, which is No. 9:

9. Contributory old age pensions—higher pensions, lower age limits, no "means" test.

An hon. Member: Read the one on the back.

Mr. McLure: They deny that one.

Mr. Drew: No; the one on the back did not deal with old age pensions.

An hon. Member: No, it did not.

Mr. Drew: It did not. You are quite right. That was another Liberal advertisement. These were all positive and definite statements. It is not the intention of this party to vote against the setting up of a committee if that is the only way the government will proceed. Certainly if the government is not prepared to carry out these undertakings and the undertakings put forward by the Minister of National Health and Welfare to call a conference to put this into effect, then obviously—

Mr. Martin: Is there not going to be a conference in the fall?

Mr. Drew: Oh, there is to be a conference in the fall because the financial agreements come to an end at the conclusion of this coming financial year. That is the only reason there is going to be a conference in the fall. Let there be no suggestion that this is a virtuous proposal by the dominion government. They waited until the last minute. These agreements are running out. There is to be a conference; and the only reason they are calling a conference, which has been demanded ever since the adjournment of the conference in 1946, is that they are obliged to have it in order that there can be new agreements. There is no other reason for it; and no one need expect anything else from them.

Mr. McIlraith: Whom will you convince?

Mr. Drew: Not you. I recognize that fact. After all, I am speaking for those who are prepared actually to judge the facts and to devote some reason and understanding to the problems that are before us.

Mr. McIlraith: And who did not see you in the earlier conference.

Mr. Drew: As to this proposal, the only thing that could be done would be for the government still to call a conference together immediately to deal with this subject. If they did that, and if the dominion government had the information which it claimed to have in 1945, this conference could dispose of this problem before this present session finishes, and the necessary legislation could be passed by the parliament of Canada so that the result of the conference could be interpreted in effective legislation before we rise some time a few months from now.

I see that it is eleven o'clock, Mr. Speaker. I move the adjournment of the debate.

Motion agreed to and debate adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): On Monday, Mr. Speaker, the Prime Minister (Mr. St. Laurent) will move the motion that appears in his name in *Votes and Proceedings* of Thursday, March 23, and which reads as follows:

> That on Monday, the 27th of March instant, and on Wednesday, the 29th of March instant, government notices of motions and government orders shall have precedence over all business except the introduction of bills, questions and notices of motions for the production of papers.

Without this motion we would spend the day on pipe line bills. On Monday we shall call Bills Nos. 16, 17, 56 and 54. Those are the four bills with regard to which motions were passed yesterday and today; two of the bills are sponsored by the Minister of Agriculture (Mr. Gardiner), one by the Minister of Finance (Mr. Abbott), and one by the Minister of Fisheries (Mr. Mayhew). I understand that if these bills are not passed by both houses of parliament and sanctioned before March 31 the statutes will lapse.

If we were fortunate enough to complete this work we would take up the motion of the Minister of National Health and Welfare and the motion of the Secretary of State for External Affairs (Mr. Pearson), that is, the motion on which the debate was just adjourned and the motion of the Secretary of State for External Affairs to refer his estimates to the committee on external affairs. If we were a little more fortunate we would take up resolutions No. 4 and No. 9 on today's order paper.

Mr. Fleming: Will the bills be called in the order named by the minister?

Mr. Fournier (Hull): Bill No. 16, to amend the Agricultural Products Act, and Bill No. 17, to amend the Agricultural Prices Support Act, will be the first ones called. I really think the next one will be the bill to amend the Continuation of Transitional Measures Act, 1947; and the fourth will be the fisheries bill.

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

HOUSE OF COMMONS

Monday, March 27, 1950

The house met at three o'clock.

BUSINESS OF THE HOUSE

PRECEDENCE OF GOVERNMENT BUSINESS ON MONDAY, MARCH 27, AND WEDNESDAY, MARCH 29

Hon. Alphonse Fournier (Minister of Public Works): Mr. Speaker, in *Votes and Proceedings* of Thursday, March 23, the Prime Minister (Mr. St. Laurent) gave notice that today he would move the following motion:

That on Monday, the 27th of March instant, and on Wednesday, the 29th of March instant, government notices of motions and government orders shall have precedence over all business except the introduction of bills, questions and notices of motions for the production of papers.

On Friday night I announced that this motion would be moved today. In the absence of the Prime Minister, on his behalf I now move the motion.

Motion agreed to.

FARM LABOUR

ORDER IN COUNCIL AUTHORIZING AGREEMENT WITH PROVINCES

Mr. Paul E. Cote (Verdun-La Salle): Mr. Speaker, I desire to lay on the table P.C. 1317, of March 14, 1950, authorizing the Minister of Labour to enter into an agreement on behalf of the government of Canada with each of the provinces for the movement and placement of persons in employment in agriculture and related industries, upon terms and conditions substantially in accordance with the form of agreement marked as schedule I attached but with such variations therein as the Minister of Labour may deem necessary to meet the requirements of the farm labour program of any province.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 55, respecting the Limitholders' Mutual Insurance Company.—Mr. Lesage.

Bill No. 57, for the relief of Zina Sarah Fletcher Tannenbaum.—Mr. Winkler.

Bill No. 58, for the relief of Fred Marcus.—Mr. Winkler.

Bill No. 59, for the relief of Belva Rubin Bercusson.—Mr. Winkler.

Bill No. 60, for the relief of Reginald E. Martin.—Mr. Winkler.

Bill No. 61, for the relief of Dora Moore Holland Towers.—Mr. Winkler.

Bill No. 62, for the relief of Betty Benditsky Kursner Kobernick.—Mr. Winkler.

Bill No. 63, for the relief of Elizabeth Goodman Goldberg.—Mr. Winkler.

Bill No. 64, for the relief of Helene Eugenie Hortense Holmes Said.—Mr. Winkler.

Bill No. 65, for the relief of Amanda Doris Drachler Segalowitz, otherwise known as Amanda Doris Drachler Selton.—Mr. Winkler.

Bill No. 66, for the relief of Florence Druckman Oliver.—Mr. Winkler.

Bill No. 67, for the relief of Albert Gedeon Martin.—Mr. Winkler.

Bill No. 68, for the relief of Brandel Avrutick Cutler.—Mr. Winkler.

Bill No. 69, for the relief of Freda Geraldine Rodgers.—Mr. Winkler.

Bill No. 70, for the relief of Hattie May Dawson Wood.—Mr. Winkler.

Bill No. 71, for the relief of Marie Yvonne Bouchard O'Rourke.—Mr. Winkler.

Bill No. 72, for the relief of Ethel Margaret Murphy Watson.—Mr. Winkler.

Bill No. 73, for the relief of Clifford Willis Collins.—Mr. Winkler.

Bill No. 74, for the relief of Alfred Beatty Harris.—Mr. Winkler.

Bill No. 75, for the relief of Claire Jeanne D'Arc Sagala De Montignac.—Mr. Winkler.

Bill No. 76, for the relief of Nora Maria De Montignac Des Jardins.—Mr. Winkler.

Bill No. 77, for the relief of Rita Annie Wylie Morrow.—Mr. Winkler.

Bill No. 78, for the relief of Olga Veleky Stepanovitch.—Mr. Winkler.

Bill No. 79, for the relief of Beatrice Norma Sabbath Finestone.—Mr. Winkler.

Bill No. 80, for the relief of Adele Kuznetz Paquette.—Mr. Winkler.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

FOOD AND DRUGS—SCIENTIFIC RESEARCH

Mr. Campney:

Is any scientific research carried out in the laboraties of the food and drug divisions of the Department of National Health and Welfare?

Mr. Martin: Yes. Certain research work is necessary in devising new methods for detecting adulteration of foods and drugs and determining potency or safety of drugs and for the setting of standards for both

foods and drugs. Fundamental research is also carried out on the physiological action of drugs and on nutritional problems. This research involves pharmacology, pharmacy, physiology, organic and biochemistry, microbiology, physics, analytical chemistry and mathematics.

DISTRIBUTION OF MEDICINES AND DRUGS TO SANATORIA

Mr. Gingues:

1. Is the federal government contributing to the purchase of the streptomycin distributed free of charge in the various sanatoria?

2. If so, what amount is being expended for that purpose in the province of Quebec?

3. What is the amount allotted to the St. Francis sanatorium of Sherbrooke?

4. Is the federal government contributing to the purchase of other medicine distributed free of charge in our sanatoria?

5. If so, how much (a) in the province of Quebec; (b) at Sherbrooke?

Mr. Martin:

1. Yes. The streptomycin which is purchased with the funds contributed by the federal government under the tuberculosis control grant is distributed free of charge in the various sanatoria, but beyond this the provinces act on their own initiative so far as free distribution of the drug is concerned.

2.

Fiscal year	Amount of approved projects	Amount expended
1948-49	$ 14,423.08	$14,423.08
1949-50	100,000.00	56,957.10*
1950-51	90,000.00†	....

*April 1, 1949 to Dec. 31, 1949.
†Continuing project pending approval.

3. 1948-49, $260; 1949-50, $5,445.

4. Yes. The drug PAS (paramino-salicylic acid) is purchased with the funds contributed by the federal government under the tuberculosis control grant for distribution free of charge in sanatoria in certain provinces, including the province of Quebec.

5. (a) 1948-49—nil (drug not generally available). 1949-50—$50,000 approved (no accounts submitted as yet for payment). 1950-51—$60,000 approved (continuing project). (b) 1949-50—no information available at the moment.

STRAIT OF CANSO BRIDGE

Mr. Black (Cumberland):

1. Will the province of Nova Scotia make a contribution to the construction of the proposed Canso bridge?

2. Has an agreement been entered into with the province of Nova Scotia?

3. What is the estimated cost of (a) the bridge; (b) the approaches for highways and for railways; (c) all other expenses?

[Mr. Martin.]

4. What contribution will be made by (a) government of Nova Scotia; (b) government of Canada; (c) Canadian National Railways?

5. What is the estimated annual maintenance cost, and by whom payable?

6. When is it expected that (a) tenders will be called; (b) construction work will start; (c) construction will be completed and highway and railway traffic be carried across the bridge?

Mr. Chevrier:

1. Yes.

2. No formal agreement.

3. (a) $10,636,198; (b) $3,015,930; (c) $634,647.

4. (a) One-third of the cost or $5 million, whichever is the lesser; (b) balance of cost; (c) nil.

5. The estimate of the board of engineers is $68,000. Payable by the Canadian National Railways.

6. (a) July, 1950; (b) main piers in spring of 1951; (c) late 1953 or early 1954.

CANADIAN NATIONAL RAILWAYS—PENSIONS

Mr. Diefenbaker:

1. How many Canadian National Railways employees retired in each of the years 1948 and 1949 with retirement pensions of (a) $25 per month; (b) between $25 and $30 per month?

2. How many officials with salaries over $5,000 per year retired or resigned in each of the said years?

3. Did any of the said officials receive a bonus, retirement payment or any allowance whatsoever additional to or along with the regular retirement pension? If so, to whom, and what was the amount paid in each case?

Mr. Chevrier: The Canadian National Railways advise as follows:

1. (a) 1948, 311; 1949, 355.
(b) 1948, 53; 1949, 87.

2. 1948, 28; 1949, 35.

3. The management of the Canadian National Railways has always taken the position that it would not be in the interest of the company or its personnel to make public information pertaining to the salary arrangements or remuneration paid to officers.

UNEMPLOYMENT INSURANCE BENEFITS

Mr. Diefenbaker:

How many (a) married men; (b) married women; (c) single men; (d) single women, were paid unemployment insurance benefits in each of the months July, 1949, to February, 1950, both inclusive?

Mr. Cote (Verdun-La Salle): The total number of persons who were paid unemployment insurance benefits in each of the months July, 1949, to February, 1950, is estimated as follows:

Number of persons, July, 1949, 65,957; August, 1949, 62,705; September, 1949, 65,443; October, 1949, 71,838; November, 1949, 104,320; December, 1949, 125,225; January, 1950, 218,963; February, 1950, 232,359.

The break-down requested is not available. However, of those who established benefit years in the period and who would be drawing benefit in the period, the percentage in each category is as follows:

Males with dependents, 38·2; males without dependents, 35·4; females with dependents, 1·4; females without dependents, 25.

BUTTER AND OLEOMARGARINE

Mr. Fair:

1. How many pounds of butter were produced in Canada in the calendar year 1949?
2. During the same period, how many pounds of margarine were manufactured?

Mr. McIlraith:

1. 333,773,000.

2. 73,958,000.

DEPARTMENT OF NATIONAL REVENUE—TAXATION DIVISION—ADVERTISING

Mr. Fraser:

1. What was the total cost of advertising done by the taxation branch of the Department of National Revenue in 1949 in (a) street cars; (b) buses; (c) daily newspapers; (d) weekly newspapers; (e) other mediums of advertising than radio?
2. What is the estimated total cost of the same form of advertising for 1950?

Mr. McCann:

1 and 2.

	1949	1950
†(a) and (b) street cars and buses	$ 15,746.63	$ 20,000
†(c) and (d) daily and weekly newspapers	11,985.05	3,000
(e) Other mediums than radio	Nil	Nil
Total	$ 27,731.68	$ 23,000

†No separate statistics are available.

ALCOHOLIC BEVERAGES AND TOBACCO—CONSUMERS' EXPENDITURES

Mr. Diefenbaker:

What was the total amount of consumers' expenditures in Canada for (a) alcoholic beverages of all kinds; (b) tobacco; (c) cigars; (d) cigarettes, in each of the years 1948 and 1949?

Mr. McIlraith: Information not available. These statistics are not compiled in such a manner as to provide the information requested.

CANADIAN NATIONAL RAILWAYS—OFFICERS WITH SALARIES OVER $10,000

Mr. Hodgson:

1. What is the salary of president of the Canadian National Railways?
2. What are the salaries of the vice-presidents and who are they?
3. How many other officials of the railway receive over $10,000 per year?
4. Who are they, what are their positions, and how much does each receive?

Mr. Chevrier:

1. $45,000 per annum.

2, 3 and 4. The management of the Canadian National Railways has always taken the position that it would not be in the interest of the company or its personnel to make public information pertaining to the salary arrangements or remuneration paid to officers.

IMPORTS OF BUILDING STONE

Mr. Sinnott:

1. How much building stone was imported from the United States in 1949?
2. What was the value of this stone?

Mr. McIlraith:

1 and 2.

Imports from the United States, year 1949

Item	Cwt.	Value
Granite, rough	†	$ 53,325
Granite, sawn	†	41,136
Marble, rough	†	24,880
Marble, sawn	†	30,259
Marble, ornamental, for churches	†	778
Building stone, other than granite or marble	301,702	213,475

†Quantity not recorded in trade statistics.

SUNNYBROOK MILITARY HOSPITAL—MILK AND COAL

Mr. Catherwood:

1. What is the contract price per quart for milk to be delivered to the Sunnybrook military hospital, Toronto, for the year 1950?
2. What is the contract price per ton for coal to be delivered to Sunnybrook military hospital for the year 1950?
3. Were tenders called for these contracts?
4. If so, what are the names of those who submitted tenders, and what was the amount of each tender?

Mr. Gregg:

1. Contract at present in force covering period November 1, 1949, to April 30, 1950: 55 cents per gallon.

2. Contract at present in force for the 1949-50 heating season: $8.43 per ton.

3. Yes.

4. Milk—Highland Dairy, Toronto, Ont., 55 cents per gallon; Acme Farmers Dairy, Toronto, Ont., 58 cents per gallon; Canada Dairy, Toronto, Ont., 58 cents per gallon; Uplands Dairy, Toronto, Ont., 58 cents per gallon; Rice's Dairy, Toronto, Ont., 58 cents per gallon; Rose Lawn Dairy, Toronto, Ont., 58 cents per gallon; Silverwoods Dairy, Toronto, Ont., 58 cents per gallon; Donlands Dairy, Toronto, Ont., 60 cents per gallon; Borden Co., Toronto, Ont., 60 cents per gallon.

Coal—F. P. Weaver Coal Co., Toronto, Ont., $8.43 per ton; Dominion Coal Co., Toronto, Ont., $8.87 per ton; Rochester & Pittsburg

Questions

Coal, Toronto, Ont., $8.96 per ton; Empire Hanna Coal Co., Toronto, Ont., $9.00 per ton; Valley Camp Coal Co., Toronto, Ont., $9.05 per ton; Canada Coal Co., Toronto, Ont., $9.06 per ton; Conger-Lehigh Coal Co., Toronto, Ont., $9.16 per ton; Dominion Coal Co., Toronto, Ont., $9.19 per ton; F. P. Weaver Coal Co., Toronto, Ont., $9.27 per ton; The Milnes Coal Co., Toronto, Ont., $9.30 per ton; Great Lakes Coal Co., Toronto, Ont., $9.33 per ton; Harbour Coal Co., Toronto, Ont., $9.70 per ton.

FERRY SERVICE BETWEEN YARMOUTH, N.S., AND STATE OF MAINE

Mr. Kirk (Digby-Yarmouth):

1. Have negotiations been carried on between the federal government and the government of the province of Nova Scotia concerning the provision of a ferry service between Yarmouth, Nova Scotia, and a port in Maine, United States of America?
2. If so, has financial agreement between the two parties been reached?
3. Has a conference between the two parties been held since March 9, 1950?
4. Will the construction be a joint undertaking?
5. Will the ferry be operated by the Canadian National Railways?
6. Are detailed scale plans now being prepared?
7. If so, what firm of naval architects has been engaged?
8. What decisions have been reached as to (a) size of ferry; (b) number, if any, of staterooms; (c) service speed of ship; (d) type of propulsion machinery; (e) number of decks; (f) automobile and truck capacity; (g) passenger capacity; (h) facilities for recreation; (i) facilities for catering?
9. When is it expected that the ferry will be put into operation?

Mr. Chevrier:

1. Yes.
2. No formal agreement.
3. Yes. On March 13, at Halifax.
4. Yes.
5. Yes.
6. Yes.
7. Messrs. Milne, Gilmore & German, Montreal.
8. (a) Length (between perpendiculars) 350'-0, approximately; maximum moulded breadth, 66'-0, approximately; (b) still under consideration; (c) still under consideration; (d) still under consideration; (e) 5; (f) 200; (g) 1,000; (h) still under consideration; (i) dining-room, cafeteria, lunch counter.
9. Summer of 1951.

SALES TAX—TEA AND COFFEE

Mr. Benidickson:

How much money was collected in 1948 and 1949 from imposition of sales tax on (a) coffee; (b) tea?

Mr. McCann: Information not available. No separate statistics are maintained of sales tax collected on individual commodities.

[Mr. Gregg.]

UNEMPLOYMENT INSURANCE—PAYMENTS AND ADMINISTRATION COSTS

Mr. Fair:

1. How many persons received unemployment insurance each month since March 1, 1949?
2. What amount was paid each month?
3. What is the monthly cost of administration?

Mr. Cote (Verdun-La Salle):

1, 2 and 3.

	Number of Persons
March, 1949	240,088
April, 1949	191,677
May, 1949	150,747
June, 1949	111,811
July, 1949	65,957
August, 1949	62,705
September, 1949	65,443
October, 1949	71,838
November, 1949	104,320
December, 1949	125,225
January, 1950	218,963
February, 1950	232,359

	Amount
March, 1949	$10,399,831.63
April, 1949	7,605,833.49
May, 1949	5,511,135.01
June, 1949	4,113,253.49
July, 1949	3,371,182.48
August, 1949	3,716,999.74
September, 1949	3,671,772.62
October, 1949	3,845,541.33
November, 1949	5,048,372.50
December, 1949	7,181,001.68
January, 1950	11,781,142.67
February, 1950	13,605,340.11

	Admin. Costs
March, 1949	$2,471,112.43
April, 1949	1,429,407.67
May, 1949	1,522,019.11
June, 1949	1,642,382.37
July, 1949	1,569,649.60
August, 1949	1,545,802.60
September, 1949	1,660,634.72
October, 1949	1,546,303.91
November, 1949	1,649,243.73
December, 1949	1,771,172.81
January, 1950	1,663,546.12
February, 1950	1,887,465.94

Note: The exact figures are not available as to the number of persons receiving unemployment insurance each month. The figures given are an estimate based on the number of persons paid during one week of each month.

POPULATION

Mr. Kirk (Digby-Yarmouth):

1. What is the present estimated total population of Canada?

2. What is the present estimated population of Canada between the ages of sixteen and seventy (a) male; (b) female?

Mr. McIlraith:

1. Estimated population of Canada, June 1, 1949, (including Newfoundland, Yukon and Northwest Territories): Total, 13,549,000; male, 6,896,800; female, 6,652,200.

2. Estimated population of Canada between the ages of sixteen and seventy (June 1, 1949): Total, 8,779,800; male, (a) 4,471,700; female, (b) 4,308,100.

ST. MICHEL DE BELLECHASSE, QUE., WHARF

Mr. Courtemanche:

1. Was a wharf constructed at St. Michel de Bellechasse in 1949?

2. If so, who performed such work?

3. What was the cost of same?

4. By whom was the cement supplied, and at what cost?

Mr. Fournier (Hull):

1. A contract was let for repairs to the wharf at St. Michel de Bellechasse, P.Q., in October 1948. The work is not yet completed.

2. Contract awarded to J. Lionel Bizier, Quebec, P.Q.

3. Amount of contract, $78,722.75.

4. Cement was supplied under item No. 9 of unit price contract at the tendered price of 90 cents per sack.

QUESTIONS PASSED AS ORDERS FOR RETURNS

INCOME TAX—REFUNDS

Mr. Noseworthy:

1. What is the amount of compulsory savings returned to the Canadian people during the months of January to June, inclusive, 1949?

2. What is the amount of compulsory savings returned to the Canadian people in each of the six months January to June inclusive, in 1945, 1946, 1947 and 1948?

3. What is the amount of compulsory savings returned to the Canadian people in each of the six months July to December inclusive, in each year, 1945, 1946, 1947, 1948 and 1949?

4. What is the amount refunded on overpaid income tax in each of the six months January to June inclusive, 1949?

5. What is the amount of overpaid taxes returned to the Canadian people in each of the six months January to June inclusive, in 1945, 1946, 1947 and 1948?

6. What is the amount of overpaid income taxes returned to the Canadian people in each of the six months July to December inclusive, in each year, 1945, 1946, 1947, 1948 and 1949?

7. What is the amount of payments made directly by the Department of National Revenue to Canadian citizens during the six months January to June inclusive, 1949, for reasons other than the refunding of compulsory savings and overpaid income taxes?

Mr. McCann: Return tabled.

PRINTING BUREAU BUILDING

Mr. Hodgson:

1. What was the cost of the site of the proposed printing bureau in Hull, Quebec?

2. From whom was the land purchased, and how much did each receive?

3. What is the total cost to date for surveys, architect's fees?

4. What is the estimated further expenditure required to complete this project?

Mr. Fournier (Hull): Return tabled.

COMPOSERS, AUTHORS AND PUBLISHERS—LICENCES, ROYALTIES, ETC.

Mr. Black (Cumberland):

1. How many licences did the government or the Department of the Secretary of State of Canada authorize the Composers, Authors and Publishers Association of Canada, Limited, Toronto, to issue in Canada in 1949?

2. What was the total amount collected for the issuance of these licences?

3. What was the total amount collected by the Composers, Authors and Publishers Association of Canada, Limited, in 1949, by way of fees, charges, royalties and other imposts?

4. What was the total amount collected in 1949 by the government in connection with such licences, fees, charges, royalties and other imposts?

5. Have increased charges been authorized for 1950 over previous years?

Mr. Bradley: Return tabled.

ST. JOHN'S, NFLD., PUBLIC BUILDINGS

Mr. Higgins:

1. Have plans been made by the government to erect a federal public building or buildings in St. John's, Newfoundland?

2. If so (a) for how many buildings; (b) in what locations?

VANCOUVER POSTAL STATIONS AND LETTER CARRIER DEPOTS—LEASES

Mr. Green:

1. Which postal stations and letter carrier depots in Vancouver are held under lease?

2. What are the street addresses of such postal stations and letter carrier depots?

3. Who are the lessors named in the respective leases?

4. What persons signed such leases as or on behalf of the respective lessors?

5. What is the annual rental payable under each such lease?

6. To whom are such rentals now payable?

7. What are the respective dates of such leases, and for what periods of time do they run?

MOTIONS FOR PAPERS

GANDER, NFLD., AIRPORT

Mr. Browne (St. John's West):

For a copy of all correspondence, documents and other papers relating to the agreement recently made between the government of Canada and the government of the United States, or any aviation companies of the United States, for the use of Gander airport.

Inquiries of the Ministry

UNEMPLOYMENT

Mr. Knowles:

For a copy of all reports in the possession of the unemployment insurance commission, dated since September 1, 1949, having to do with unemployment in Canada.

Mr. Cote (Verdun-La Salle): Mr. Speaker, I wonder if my hon. friend will let this stand, and see me personally about it. I should like to meet his request as best I can, but I am not in a position to do so at the moment.

Mr. Knowles: Stand, Mr. Speaker.

Mr. Speaker: Motion stands.

FISHERIES

SIGNING OF HALIBUT TREATY BETWEEN CANADA AND THE UNITED STATES

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): I should like to ask a question of the Secretary of State for External Affairs. Apparently a new halibut treaty between the United States and Canada was signed last week. Would it be possible to have a copy of the treaty tabled?

Hon. L. B. Pearson (Secretary of State for External Affairs): It is true that a halibut treaty was signed last Friday afternoon by my colleague the Minister of Fisheries and the United States ambassador. The treaty will be tabled as soon as it is mimeographed and translated, within a few days.

MOTOR VEHICLES

IDENTIFICATION FORMS REQUIRED AT BORDER POINTS ON LEAVING CANADA

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I should like to ask a question of the Minister of National Revenue with regard to an order made by his department, to become effective next Thursday, under which the making out of new automobile identification forms is required to be made daily at the port of exit, or on every occasion on which a Canadian motorist crosses the border to visit the United States. This regulation, if carried out at such places as Windsor, Ontario; North Portal, Saskatchewan; White Rock, British Columbia, and other places—

Mr. Mitchell: Don't forget Niagara Falls.

Mr. Diefenbaker: I did mention that there were other places, and I should have mentioned Niagara Falls and Prescott. This order will discourage traffic and result in chaos. It would seem to be a needless requirement. Will the minister reconsider the matter, and, instead of enforcing this order requiring the form to be signed each day, follow the old system of having one form operative for a year?

[Mr. Browne (St. John's West).]

Hon. J. J. McCann (Minister of National Revenue): It is not a matter of giving reconsideration to an order that has gone out. There has been a very slight change in our system in order to ensure better control of Canadian automobile traffic to the United States. We are continuing the system heretofore in effect for border residents who have occasion to go to the United States regularly. The change does not in any way affect our American tourists coming to Canada.

Mr. Diefenbaker: Perhaps I might ask a question arising out of the minister's answer. Is there not a new regulation which requires that a form be signed each time a person enters the United States? That is the information the officials at border points have. Will the minister explain what the new regulation is? He says that it does not affect certain points, but does it apply to all other ports of entry?

Mr. McCann: The new order will not affect people at border points who are in the habit of crossing regularly. They will have permits to indicate that they cross regularly, and those permits will be honoured for a period of six months. Persons who do not cross regularly will be required to fill in the form now being issued. There will be no inconvenience to those who live in Canada and go to the United States regularly and are known to the officers at the different ports of exit.

ROYAL CANADIAN AIR FORCE

INQUIRY AS TO PROSPECTIVE DELIVERY OF FOUR-ENGINE TRANSPORT AIRCRAFT

On the orders of the day:

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, on Friday the leader of the opposition (Mr. Drew) asked a question, as reported on page 1086 of *Hansard* as follows:

In view of today's press reports, quoting a statement of the Minister of National Defence in regard to the new four-engine prototype transport aircraft which is to be delivered shortly to the Royal Canadian Air Force, will the minister inform the House of Commons as to the date on which the Canadian Commercial Corporation was advised that the Royal Canadian Air Force required this aircraft?

I am informed by the Canadian Commercial Corporation that it was first advised of this requirement on December 23, 1948. The contract demand for this aircraft was actually presented to the corporation on January 4, 1949.

AGRICULTURAL PRODUCTS ACT

EXTENSION OF OPERATION FOR A PERIOD OF ONE YEAR

Right Hon. J. G. Gardiner (Minister of Agriculture) moved the second reading of Bill No. 16, to amend the Agricultural Products Act.

He said: Mr. Speaker, I should like to ask the house to follow the same practice in connection with this bill and Bill No. 17, to amend the Agricultural Prices Support Act, that was followed on Thursday last in connection with the two resolutions. This bill contains only one section, to provide for the extension of the operation of the act for one year. As I explained the other day, this is merely to make it possible for us to carry out our undertakings under the agreements with Great Britain this year having to do with cheese and pork products.

On Thursday last I suggested that it would be quite all right to have full discussion of this measure when we were considering the resolution which preceded Bill No. 17. As the proposer of this measure I suggest that it might be helpful if we followed the same practice in this instance. If the suggestion meets with the approval of the members of the different groups, perhaps this bill could go through to third reading, and all discussion can take place on the motion for second reading of the other bill, or when it is in committee.

Mr. Charlton: In view of the fact that this bill is only for one year, we have no particular opposition to its going through at the present time.

Mr. Wright: I think we shall have to object to the procedure suggested by the minister. We recognize that this act is necessary for the carrying out of the present contracts, and we will support it for that reason; nevertheless we do not believe the act is sufficient to meet the present requirements of agriculture. We intend to move an amendment; therefore we cannot consent to second reading at this time. As was stated by a number of members of this group who spoke the other day, we feel that to extend the provisions for just another year does not meet the requirements of the agricultural industry in this country.

Mr. Speaker: I do not want to interrupt the hon. member for Melfort (Mr. Wright) if he is making a speech, but if he has spoken to a point of order, and if there is not to be unanimous consent, we shall have to proceed with this motion in the usual way.

Mr. Gardiner: While I cannot object to the procedure that has been proposed, I would point out that this bill only involves the continuation of powers which were given under the War Measures Act. I doubt if there is any way in which the house could continue this measure beyond a limited time, whether that time is a year or more than a year. There might be some discussion about that, but the position the government has taken since 1947 is that this kind of measure can be extended only for one year at a time. I think all the opposition have in general agreed with that principle. The only question is whether we extend it for another year or whether we do not extend it at all.

Mr. Wright: I cannot agree with what the minister has just said. The war has been over for some five years, and the emergency period following the war must now have come to an end—

Mr. Speaker: The Minister of Agriculture has moved that the bill be read a second time. If the minister has spoken on that motion, when he speaks again he will close the debate. Is the hon. member for Melfort now speaking to the motion, and has the Minister of Agriculture completed his remarks on the motion?

Mr. Gardiner: I was just attempting to raise a point of order as to what procedure we should follow. I would prefer to have that decided before going into the other matter, because the debate on that could last for two or three days.

Mr. Wright: The members of this group are not prepared to give consent to the second reading of this bill at this time without discussion.

Mr. Speaker: The Minister of Agriculture has moved that the bill be now read a second time.

Mr. P. E. Wright (Melfort): Mr. Speaker, before this bill is given second reading there are certain matters which I think should be discussed to a greater extent than was the case when the resolution which foreshadowed this bill was before the house. The house will remember that we gave consent to the resolution passing and to having the discussion on the resolution which preceded Bill No. 17, to amend the Agricultural Prices Support Act.

We contend that the principle involved in this bill, that of setting up a board in Canada to take care of the export of surplus agricultural products, should be placed on a permanent basis rather than be extended from year to year as in the past, depending on the state of emergency which exists as a result of the war. We have followed that procedure for the last four years, and as a result of the temporary methods which have been followed we have

lost most of our markets for surplus agricultural products. So far as we are concerned we see no possible way of winning back those markets under this type of legislation. Only when we have permanent legislation shall we be able to make agreements and supply our customers, not only in England but in European countries, with products which are uniform, and which we can guarantee to supply regularly from year to year. The European market is demanding uniformity of quality in the products supplied to them, and continuity of supply. I do not think that is possible unless there is permanent legislation to provide for the supplying of those markets.

Surpluses of agricultural products are beginning to appear all over the North American continent. The international federation of agricultural producers, when they met in Paris in 1948, realized this problem. They stated in their report:

> It is essential that effective machinery should be provided to deal with any surpluses that may develop, to ensure that they are directed to areas of the greatest need, and that such surpluses should not be allowed to undermine the world price structure.

When this organization met at Guelph, Ontario, a year ago, they came to the same conclusion, and they set up a committee which would make recommendations to the food and agricultural organization at their meeting in Washington last year. That committee recommended at Washington that an organization should be set up under FAO for the distribution of surplus agricultural products to needy areas throughout the world. The recommendation of IFAP was not accepted by the food and agricultural organization, which set up a commodity committee to endeavour to ascertain the best way to distribute surplus products. If we are to work in conjunction with international organizations, we must have a national export act under which surpluses can be collected in Canada and turned over, when the time comes, to the international organization for distribution in the needy areas of the world.

As a matter of fact the Minister of Agriculture, addressing the food and agricultural organization in Washington, indicated it was his opinion that the national government should set up some organization for performing this particular function.

He said:

> Any transactions developed under the short term trading functions will be subject to concurrence by the governments concerned, and the major details of such transactions will also be subject to agreement by governments.
>
> This being the case it hardly seems necessary to have an international agency actually buying and selling in commodity markets. It may even be questioned whether such activity in commodity markets by an international agency is desirable. It seems to us, therefore, that the question of the creation of a large capital fund for such a purpose is not necessarily an issue.

Later he stated:

> Lord Boyd Orr, in presenting his proposal for a world food board, had in mind the fact that the world had surpluses during certain periods and extreme shortages in other periods. It was his purpose to stabilize returns to producers and costs to consumers by setting aside surplus quantities in good years for periods of shortages. As has been pointed out in other conferences, however, national governments can, and do, perform this function . . .

In other words, it is one of the functions under the present measure which we are extending for one year, but we are only renewing it for one year and we do not believe that is sufficient. The minister went on to say:

> Canada, for example, has provided for the holding of stocks of wheat under government control. Moreover, it is probably consistent with other developments to envision the long-term holding of stocks as an element in an over-all commodity agreement.

I agree with the minister. If we are to carry out what he stated as government policy before the food and agricultural organization, we must have something more permanent than the act which we are now extending for one year. I therefore move, seconded by the hon. member for Selkirk (Mr. Bryce):

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

Mr. Speaker: Possibly I might hear representations now on the question whether the amendment is in order. Does the amendment oppose or differ from the principle of the present bill?

Mr. Knowles: If I may say a word or two on the point that you have raised, Mr. Speaker, I think it is unnecessary to read in full citation 657 of Beauchesne's third edition. I imagine you have it in front of you now. It sets out what it is competent for a member to do on second reading, namely, to move a resolution—and I am now quoting the significant words of the citation—"declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill." I take it from the question you have asked, Mr. Speaker, that you have in mind the kind of ruling that has been given on a number of occasions, one of which is referred to in citation 659, where the Speaker ruled the amendment out of order because it did not challenge the principle of the bill. I think it is clear from what the minister said in the interchange which took place earlier that the principle of the bill is to do again what the

government has done on a number of occasions, namely, extend the operation of the act for one year only. It is the extending of this kind of legislation for one year at a time which is the principle that the amendment challenges. The amendment contends that, instead of continuing the practice of having temporary legislation and extending it one year at a time, there should be permanent agricultural products export legislation. There are other questions that sometimes arise in connection with amendments of this kind, but if Your Honour will permit me the floor again to answer any other question that may be raised, I can save your time by saying nothing further now.

Mr. Speaker: I might ask one question now. Could the bill not be amended in committee to bring about the object which the hon. member moving the amendment has in mind?

Mr. Knowles: I do not see how that can be done, because when we get into committee there is only one section in the bill, and it changes only one section of the original act, namely, section 11, which fixes the expiry date. The only point before us when we get into committee is the carrying out of the principle which is before us on second reading, namely, the extension of the act as it stands, for one year and one year only. The amendment seeks a change in the principle before us at this stage; it seeks to put this legislation on a permanent basis and to broaden its scope, which certainly could not be done by amending the only clause that will be before us in committee.

Mr. Gardiner: The amendment suggested is not new. This bill has been before the house each year since 1947, as I said the other day; in other words this is the fourth time we have had to consider it. Each time, whether or not an amendment of this kind was actually moved, the point has been discussed in exactly the same manner as it is being discussed now. In other words it has been urged each year that we should have a permanent measure of this kind. On each occasion I pointed out that in 1938 the federation of agriculture had come forward and asked for a permanent measure—

Mr. Knowles: Order.

Mr. Gardiner: There is no "order" about it. Wait until I have finished.

Mr. Knowles: I rise to a point of order. The Minister of Agriculture is taking advantage of this opportunity to discuss the substance of the amendment, but the question before us now is a point of order.

Mr. Gardiner: I am speaking to the point of order.

Mr. Knowles: Oh, no; you are speaking to the amendment.

Mr. Gardiner: The point of order is that the bill you are talking about is already on the statute book.

Mr. Knowles: Oh, no.

Mr. Gardiner: If you will wait long enough, I will indicate that it is. The federation of agriculture came to the government in 1938 asking for a measure of the kind indicated in this amendment. In 1939 they returned with the same request, and at that time we said that until the end of the war the federal government intended to operate boards of that kind under the War Measures Act, and that we could do so only by virtue of the reasons which were given. In 1946, after the war was over, the federation came back and asked for this legislation in almost the very terms contained in this amendment, and at that time members of all opposition groups rose and proposed that we should pass an act of that kind instead of extending the legislation we had for one year at a time.

The matter was argued back and forth here in the house, and we decided not to pass a measure of that kind then. In 1947 we came to the same decision, and also in 1948. In 1949, however, we did pass it. Last week I met with representatives of all the provinces and of the federation of agriculture to discuss whether or not the act passed in 1949 was adequate to carry out the purpose for which it was intended, and the explanation given at that meeting was that with respect to all other products except these two, cheese and pork products, the powers we had under the War Measures Act no longer applied, and the only way we could bring about what they desired was through the Agricultural Products Marketing Act, which we had passed in 1949 and which covers exactly what is dealt with in this resolution. Under that act, boards may be set up to deal with the marketing of farm products, either interprovincially or internationally. With that statute already in effect I think it is out of order to move here by way of amendment to this bill that we should pass another bill amounting to the same thing.

Mr. Wright: Like the minister, I want to speak to the point of order. He is suggesting that the Agricultural Products Marketing Act, passed by this parliament last year, has the same effect as the amendment we are now moving. He knows differently. He knows that under the Agricultural Products Marketing Act provision is made for the setting up of producer boards over which the government has no control. The boards set up under that act cannot go into the export market today. It is this government, through legislation

passed in this house, that decides on tariffs, on the availability of exchange, on the value of the dollar in the export market, and so on. Therefore the producers are beaten before they start with their producer boards. Only when this government sets up a board for the export of surplus products can we hope to compete in the markets of the world, and either get back some of the markets we have lost, or obtain new markets. That is the purpose of this resolution—to set up a government export board, not a producer export board. There is a distinct difference.

Mr. Gardiner: On the point of order, the act itself, a one-section act which was read to the house the other day by one of the members of the group taking this position, provides for the appointment of a board by the governor in council, and by no one else.

Mr. Wright: It says the governor in council may make regulations under the act.

Mr. Gardiner: Read the part before that, under which the governor in council decides the board to which it will give authority.

Mr. Speaker: The question has now arisen whether the object sought by the amendment is already achieved in an act now in force. I have not that act before me. There seems to be a difference of opinion as to whether the object of the amendment has already been attained; perhaps, therefore, I had better let the amendment stand until I can look at the act to which reference has been made.

Mr. Fulton: On the point of order, Mr. Speaker, even if we accept the minister's contention, would the mere fact that there is another statute which does what is sought by this amendment necessarily make the amendment out of order? In the first place there is a difference of opinion as to whether or not the other statute is sufficient; but I would raise the question whether, even if it should be, that would necessarily mean that this amendment is out of order.

Mr. Speaker: At least it would be unnecessary. If there is an act now on the statute book which does precisely what the amendment proposes to do, I cannot see that any good purpose would be served by permitting the amendment to stand.

Mr. Rene N. Jutras (Provencher): Mr. Speaker, I am sure many of my constituents would wish me to say a few words on this subject, particularly in view of the remarks that have been made by members of the various opposition parties. No one will deny the importance of the British market so far as agricultural products are concerned, and this is particularly true with respect to wheat. It becomes important indeed when we recall that to a certain extent almost the entire economy of the west is directly or indirectly controlled by the price of wheat.

In the discussion it has become apparent that our C.C.F. friends place squarely upon the shoulders of the government the blame for our loss of export trade, particularly the reduction of our agricultural exports to the United Kingdom. They would like us to believe that if there have been reductions in the sale of certain agricultural products, that lessening in export trade is due entirely to the policies or attitude of this administration. Of course we know that many factors were entirely beyond the control of this government. In order to remedy this situation, our C.C.F. friends in this house have suggested ways and means of recapturing these markets; or, as the member for Melfort (Mr. Wright) put it, if certain things had been done these markets would not have been lost during the past few years. In order that I may be accurate in my reference to his remarks, I should like to quote from page 1059 of *Hansard* of the present session. After referring to the lack of dollars in Great Britain with which to buy our agricultural products, he said:

> . . . under which we would have accepted British goods in exchange for our food, we would have been able to make agreements similar to those which Britain has made with many other countries.

That is a very easy solution, Mr. Speaker. In other words the hon. member says that if the British people have not dollars with which to buy our products, all we have to do is trade produce for produce. Naturally if there is a shortage of dollars in Great Britain it is due to the fact the people were not able to exchange products on a basis that would enable them to secure dollars. The problem, therefore, is still in front of us. This suggestion is not a solution of that problem.

The leader of the C.C.F. party went one step further with the same argument, and suggested that if the British people have not the necessary dollars to purchase our agricultural products, then we should accept sterling; trade could be resumed on that basis. Again this is no solution to the problem. It is a similar attempt to the one just mentioned, because, after all, to accept sterling is merely to sell on credit. Putting it on an individual basis, I wonder if the farmers of western Canada are willing to accept I.O.U.'s for their products? It is obvious that trade could not be conducted on that basis, because the farmers could not afford it. When you bring it to the state level, the question arises whether the state

is in a position to extend further free loans to Great Britain for the purchase of agricultural products.

I have noticed that the leader of the C.C.F. party has never at any time, nor have any of his supporters when dealing with this question, referred to an interest-free loan to the United Kingdom. They have phrased it as accepting sterling in payment for our goods. So, Mr. Speaker, there is no question that the difficulty is the one experienced by many countries throughout the world, the exchange of goods for dollars. This was particularly true before devaluation of the British pound, because then the difficulty was that the British were more or less priced out of the United States market. Under those conditions, to suggest the trading of goods for goods leaves us with the same difficulty, because, for example, no one would trade two horses for one horse.

The official opposition, our Progressive Conservative friends, have taken a dangerously careless attitude, in my estimation. I believe they are completely blind to reality in their attitude towards increasing our exports to Great Britain. Our Progressive Conservative friends tell us that we ought to increase our markets in the United Kingdom, irrespective of the cost. Again and again they have referred to the United States as an unreliable market, as something that is meaningless, the importance of which can be dismissed by a wave of the hand. My main reason for participating in this debate is to counteract the idea that the market to the south of us is really unimportant.

The member for Dufferin-Simcoe (Mr. Rowe), in one of his speeches, referred to the United States as a country that produces the same type of surpluses we produce. There have been numerous speeches to that effect. I have in my hand, Mr. Speaker, a publication of the Department of Trade and Commerce entitled "Foreign Trade", under date of February 4, 1950. It contains a summary of Canadian exports for the year 1949 which is quite revealing. It says:

> Canadian exports to the United States last year had a value of $1,503·5 million, which represents an increase of 0·16 per cent over that for 1948.

We must compare that with our export trade with the United Kingdom. This publication goes on to say:

> Exports to the United Kingdom, Canada's second largest customer, were valued at $705 million, representing an increase of 2·63 per cent over the figure for 1948.

There you have a comparison of the two markets so far as Canada is concerned. It is interesting to note that the increase in our exports to the United Kingdom amounted to 2·6 per cent. An hon. member behind me asks whether that is losing markets. I recognize that markets for certain types of products have been lost, but the over-all picture for last year shows that our export trade with Great Britain increased 2·6 per cent. Our export trade with the United States also increased, but only by ·16 per cent.

I still say that the market to the south of us is certainly the most important market. At this stage we should make every effort to increase our trade with the United Kingdom, particularly for agricultural products, but at the same time we must be careful not to do anything to harm the United States market. Whether we like it or not, the logical market for Canada lies in the United States. Unlike the member for Dufferin-Simcoe, who said that we should look east and west and forget about north and south, I say that we should look east and west, but we should be careful to look south as well. In that direction lies the best customer we have had in the past few years. We should not discriminate against the United States market. We were forced to do it; but fortunately our very good friends to the south were broad-minded enough to realize our difficulties and to understand the situation. Instead of retaliating, they have helped us further to overcome our difficulties. That is real friendship and real international co-operation. We have every reason to be thankful for what the United States people have done for us.

At this stage I repeat that in our dealings and in our efforts to increase our market with Great Britain, we should at the same time be very careful to allow no discrimination to intervene against the United States.

In the publication to which I have referred there is another interesting quotation which reads:

> Despite the over-all decline in exports from 1948 levels, three of the nine main commodity groups showed higher export values in the past year. These were the agricultural products group, which rose by 20·1 per cent to reach a total of $773 million.

Actually, therefore, in 1949 there was an increase in the export values of the agricultural products group. To continue:

> In the first of these groups, the increase was due to a larger volume of wheat exports at higher average prices than in 1948. These reached $435·2 million, as opposed to $243 million in 1948.

There is the real picture; there are the real facts as they stare us in the face. The actual figure in 1949 was $435 million as against $243 million in 1948. Yet we had member after member on the opposition benches rising in his place and telling us that we are losing all our markets, and that we are heading for certain doom in the years to come.

As I said, taking the over-all picture, the United States market, generally speaking, is our best market. We have yet to explore all the possibilities in that market. We know for a fact that so far as cattle are concerned it is a market that is advantageous to Canada. At the present time, owing to various factors, many of our agricultural products are not allowed to go freely to the United States. I am not going to enter into that phase of it, because it is a complex one. But I do not think it is fair or true to say that the Canadian government is keeping those products under permit merely to protect the British market, or, as has been said, that the government is doing it to keep the price of agricultural products down. Of course this might have been true during the war, but it is certainly not true today. That is not the reason at all for many of these products being kept under permit. The only reason for their being kept under permit is that in these various lines there is a danger that if we were to send all our surpluses of those products into the United States they would probably go to a region in which there is already a surplus, and it would have a bad effect. There would be a demand in the United States to prohibit the entry of those products into that country; therefore permits are required, and the products are distributed in areas in which a surplus does not exist. We are allowed to carry on on that basis. It has proved beneficial in the past; but still the fact remains that we do not know exactly what the possibilities might be, because there has never been a free exchange of these particular products.

I know that so far the Canadian government have always been careful not to do anything that would harm the United States market, and I am sure they will not take the observations of our Conservative and C.C.F. friends too literally or too seriously, and will continue to use sound judgment, as they have in the past.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to say a few words on this bill to amend the Agricultural Products Act, because I do not quite agree with the minister's interpretation of the amendment moved by the hon. member for Melfort (Mr. Wright).

We in this group support the principle of the bill. We are going to vote for the bill when the vote is taken, but we believe in the terms of the amendment, namely,

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

[Mr. Jutras.]

My few references to this bill will be with respect to the fruit industry, to which this bill is a matter of serious concern. The growers have done everything they can in the way of production. There are few problems so far as production is concerned. There are few problems in connection with the preparation of the product for market. They have done all they can so far as organization is concerned. They have an active organization, all within the power of the growers. The prospects for continued prosperity in the fruit industry depend entirely upon a good proportion of the crop being exported overseas. I believe the minister was correct in this sense, namely, that the other acts could be used—the Agricultural Products Marketing Act is one—if we were living under normal conditions, or what are termed normal conditions, with regard to export markets. The producer boards could organize export in the regular trade channels; but we are asking for this amendment to the act because of agricultural surpluses created by abnormal world conditions.

We do not think that sectional organizations or producers' boards can market surplus agricultural products satisfactorily under the Agricultural Products Marketing Act, when we are facing a condition under which governments have to deal with varying exchange rates, international organizations such as the food and agricultural organization, the possibility of supporting the proposals made for an international commodities clearing house, and so on. In the opinion of the members of this group, that is beyond the capacity of the ordinary fruit producers' board or the legislation found in the Agricultural Products Marketing Act. Therefore, Mr. Speaker, we are putting this amendment forward in the hope that the house will give it consideration, because we believe that if the house does accept it we shall have introduced into the bill some teeth that will make it possible for the government, with the other legislation, to take effective action with regard to the marketing of agricultural surpluses which now exist and without any doubt are likely to exist in the days ahead.

Mr. O. L. Jones (Yale): Mr. Speaker, I rise to support the hon. member for Kootenay West (Mr. Herridge), because I too am interested in the fruit industry. I am particularly interested in this amendment, because it is something that would place our industry on a sound and solid basis, with someone to go to, someone to deal with effectively, in the matter of the disposition of fruit surpluses.

We know that a great deal can be done. Recently we read that the Minister of Trade

and Commerce (Mr. Howe) visited England and came back in the matter of a couple of weeks with $25 million in orders.

If we had someone on a permanent basis, with the same power, to go to Europe, to New Zealand and Australia, to travel the world seeing markets as the minister did on that occasion, then I could see a future for our Canadian surpluses. I have in mind the fact that New Zealand, facing a similar problem, where their great difficulty was one of distance, overcame it by setting up import-export boards to find markets and to get commodities to shipping points in the cheapest and best way. Then they proceeded to sell those commodities abroad, as government units. They were successful in finding markets at distances double those confronting us in Canada. They sold in Europe, and were able to establish sound foreign markets for their agricultural products, particularly butter. We in Canada could learn a great deal from their success.

I urge the minister and the house to consider seriously the amendment suggested by this group. Otherwise nearly half our crop is at the mercy of conditions which, if they continue, may make it necessary for us to dump or destroy those commodities, or give them away, as we have done this year.

While I am not condemning the bill—indeed, I support it—I urge upon the house consideration of the amendment in order to give the measure now before us a permanent and sound life, so that we may build up an industry which is handicapped by the length of time it takes to develop it—fifteen years; this no one can change. I wish to seek a permanent solution, and the only permanent solution is to make this act a permanent one.

Mr. J. I. Hetland (Humboldt): Mr. Speaker, I rise, not so much to speak regarding the policies of the government, but more because of the criticism we have heard.

My constituency is mostly agricultural. We raise hogs and cattle, but our chief occupation is that of raising grain. When we have markets and receive good prices, because of the fact that we have few crop failures we have a reasonable degree of prosperity. I believe however that because we are producers of food the government will see to it that we will receive fair floor prices, so that we may be able to carry on. In my view, unless the producer is prosperous, no one else will be. If the farmer is not able to buy the products of labour it is not long before labour is out on the street.

Because I am a farmer I am naturally interested in the action taken by the government with respect to floor prices. If the farmers are to be given confidence in the future, we must have price support. If that support is not given there will be a greater flow of farmers to the cities, with the consequence that the unemployment situation will become worse. Today farmers cannot go into the labour market and obtain help, because most labourers do not care to go to the farms to work long hours for seven days a week. I believe however that labour and all other organizations will get behind this program of price support so as to keep our economy operating on the present scale. Workers will not enjoy shorter hours and good pay if the production of our farmers falls off to any considerable extent.

Farmers can tighten their belts to some degree, but there is the possibility that they may become discouraged and quit. The older folks may stay on the farms and raise enough for their own use, but certainly the younger folk will not. They will not stay on those farms, if other fields look greener. If we can maintain employment at its present level we will have a good market at home for our farm products. The home market is our best market. Even if we have some surpluses, surely that is better than to have scarcities. I believe, too, that labour and others will not complain too much about our program of price support if only they can keep up the level of employment and hold their jobs.

How are we going to keep farmers on the land? The only way I see in which it can be done is to give those farmers something to look forward to. Hon. members will know that the farmer is engaged in an occupation in which there are many hazards such as weather, drought, hail, grasshoppers and the like. If one more hazard is put in his path it may be just one too many, with the result that the farmers will leave the land to try something else.

I believe that on the whole our farming population is well satisfied with the way the government has handled our products in the past. Most of the credit for this should go to the Minister of Agriculture (Mr. Gardiner). The opposition, both in this session and the last one, have tried to discredit the efforts of the minister. The fact remains however that when he was sick last fall those farmers were worried, and were wondering who could do a better job than he has done.

On many occasions our wheat policy has been criticized. I know of nothing that has been more universally accepted by western farmers than has this policy, and we want it continued. The hon. member for Melfort (Mr. Wright) has criticized the last payment on wheat of twenty cents per bushel. His criticism dealt particularly with the comparatively small amount of interest that had to be paid

out because the wheat board had borrowed a few million dollars from the banks in order to make this payment. I notice however that some members of the opposition are not now so anxious to be associated with the hon. member for Melfort in his criticism. I am sure the prairie farmers thought this last payment was a godsend.

Some members in the larger group of the opposition say that they were not supporting the hon. member for Melfort—

Mr. Ross (Souris): The official opposition.

Mr. Hetland: —in his criticism of the last payment of twenty cents made by the wheat board. Someone has told me that the criticism of the hon. member for Melfort has received support from the leader of the opposition group in the Senate. I beg your pardon, Mr. Speaker; I should have said "the other place". However, had I used that expression I might have misled many of my constituents; because out there, when folks wish to tell one to go to some hot place, and if they have a desire to be more refined or dignified in expressing their wish, they use the expression, "the other place". I apologize for having used the wrong expression today, but it will be realized I was in a tight spot. I did not wish to mislead anyone, nor did I wish to detract from the dignity of the other place.

The fact that most members of the opposition are now trying to run away from this criticism indicates that they believe the government has done a good job in paying out this amount of money, instead of leaving it to accumulate in the banks at a time when the farmers in dried-out areas were in such need. I know opposition members have to look for something concerning which they can criticize the government, but I suggest they should not have criticized this action, particularly when about one hundred per cent of the farmers are in favour of it.

Let me say as a farmer that the comparatively small amount we paid for interest on loans to make this twenty-cent payment does not bother me. But when it comes to future wheat payments or future markets, then I might have some anxiety. It is not that I blame the government because this is one thing over which they have not very much control. Certainly the government cannot be blamed for what happens in other countries.

Then I do not think we should be too critical about what happens in other countries because those countries are trying to do what they think is best for their people. If we try to meet them with the idea or intention of helping them in their predicament, then I believe something can be accomplished. We should let them know that we are anxious to help them out of their difficulties.

Surely if we know how to produce we should be able to find some way to distribute our surpluses. If we have small surpluses in certain cases, surely that is better than to have scarcities. Even with these floor prices I do think the government should let the markets carry themselves as far as possible. If there should be small surpluses at the end of the year I believe the government can well take care of them. When the $200 million fund is used over a period of years for this purpose there would be little loss.

We have to trade with the world, but it has to be a two-way market, or a twenty-way market as the minister said. The Canadian people have to be taught the fundamentals of trade. We have to take some goods for our own good because some day this trade will have to be equalized or balanced.

A word about home prices. Why should small export surpluses set the prices for our home market? The home labour market is not set by overseas wages, so why should the farmer's prices at home be set by competitive world prices? What is sauce for the goose should be sauce for the gander.

How are we going to get contracts? It takes two parties to make an agreement and all agreements will have to be on terms advantageous to both parties. During the war the price of wheat to the consumer was held down, so is it not only fair that the consumer should pay a fair price for farm products? I am not pessimistic about the future as I believe we have learned a lot since the thirties.

On June 27 last this government received a definite vote of confidence from the people of Canada so I believe there will be little criticism when it passes legislation that is favourable to the producers. If the fifty per cent of our people who are producers are not prosperous, the other fifty per cent cannot be. I am sure the government realizes that fact and will act accordingly.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, when the Minister of Agriculture (Mr. Gardiner) was objecting to the amendment moved by this group he said that we already had on the statute books an act which covered what is proposed to be covered by this amendment. The minister was referring to the Agricultural Products Marketing Act which was assented to on April 30, 1949. Section 2 of that act reads:

> The governor in council may by order grant authority to any board or agency authorized under the law of any province to exercise powers of regulation in relation to the marketing of any agricultural product locally within the province, to regulate

the marketing of such agricultural product outside the province in interprovincial and export trade and for such purposes to exercise all or any powers like the powers exercisable by such board or agency in relation to the marketing of such agricultural product locally within the province.

I think it is clear that under that act the governor in council may give certain powers to provincial boards similar to those that can be granted within the province. But it does not envision, as does our amendment, the setting up of a federal export board to fulfil the present contracts, negotiate future contracts and develop new markets abroad for surplus agricultural products.

As the minister said, this act is just a temporary act. Apparently it was enacted on the assumption that our contracts will be on a temporary basis. Our amendment asks for the setting up of an export board which will negotiate future contracts on a permanent basis. Very little has been done under the legislation passed last year and certainly that legislation does not envision an export board carrying out the functions we are asking for in our amendment.

Mr. Knowles: There is no power in that act to appoint a board of any kind.

Mr. Speaker: I raised two objections to the amendment, the first being that an amendment should not enunciate a principle different from the principle set out in the bill. I have noticed during the debate that a number of hon. members have said that they approved the principle of the bill, and also would support the amendment. I have come to the conclusion that the principle of the bill is to extend the act for one year, whereas the principle of the amendment is that permanent legislation be enacted. Notwithstanding what hon. members have said I am of the opinion that the principle of the amendment is different from the principle set forth in the bill.

The other point I raised was whether the amendment could not be moved in committee. As this is a money bill, and as its extension would involve the expenditure of money, I have decided that some objection might be taken to such an amendment in committee.

The other point raised was whether there was an act in force at the present time which carried out the objects of the amendment. The act referred to was the Agricultural Products Marketing Act. I am inclined to agree with the Minister of Agriculture (Mr. Gardiner) that that act does include the objects of the amendment. However, a number of hon. members seem to take a different view. The last hon. member who spoke suggested that provincial boards could be set up under the Agricultural Products Marketing Act, whereas under the proposed amendment a federal board would be set up. In view of the difference of opinion I think I had better allow the amendment to stand.

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

YEAS

Messrs:

Argue	Knowles
Beyerstein	Low
Blackmore	MacInnis
Bryce	Noseworthy
Coldwell	Quelch
Fair	Shaw
Gillis	Stewart (Winnipeg North)
Hatfield	Thatcher
Herridge	Thomas
Johnston	Wright
Jones	Wylie—23.
Knight	

NAYS

Messrs:

Adamson	Gauthier (Lapointe)
Anderson	Gauthier (Portneuf)
Applewhaite	George
Ashbourne	Gibson
Bater	Goode
Belzile	Gosselin
Bennett	Gour (Russell)
Bertrand	Gourd (Chapleau)
Black (Cumberland)	Green
Blair	Gregg
Blanchette	Harkness
Boisvert	Harris (Grey-Bruce)
Boivin	Harrison
Boucher	Healy
Bradette	Helme
Bradley	Hetland
Brooks	Higgins
Browne (St. John's West)	Hodgson
Bruneau	Homuth
Byrne	Hosking
Campney	Howe
Carter	Huffman
Casselman	Isnor
Catherwood	James
Cauchon	Jutras
Cavers	Kent
Charlton	Kirk (Antigonish-Guysborough)
Chevrier	Kirk (Digby-Yarmouth)
Clark	LaCroix
Cleaver	Lafontaine
Corry	Laing
Cote (Matapedia-Matane)	Langlois (Gaspe)
Cote (Verdun-La Salle)	Lapointe
Croll	Leger
Darroch	Lennard
Decore	Little
Dewar	Macdonald (Edmonton East)
Dickey	Macdonnell (Greenwood)
Diefenbaker	MacDougall
Dion	MacKenzie
Douglas	MacLean (Cape Breton North and Victoria)
Drew	MacNaught
Dumas	McCann
Eyre	McCulloch
Fauteux	McGregor
Ferrie	McIlraith
Follwell	McLean (Huron-Perth)
Fournier (Hull)	McLure
Fulford	McWilliam
Gardiner	Martin
Garson	
Gauthier (Lake St. John)	
Gauthier (Sudbury)	

Matthews	Smith (Queens-Shelburne)
Mayhew	Smith (Moose Mountain)
Mitchell	Stanfield
Mott	Stewart (Yorkton)
Murphy	Stick
Murray (Oxford)	Studer
Murray (Cariboo)	Tremblay
Mutch	Tustin
Pearkes	Viau
Pearson	Ward
Poulin	Warren
Pouliot	Weaver
Proudfoot	Weir
Prudham	Welbourn
Roberge	White (Middlesex East)
Robinson	Whiteside
Rooney	Whitman
Ross (Souris)	Winkler
Sinclair	Wood—143.
Sinnott	
Smith (Calgary West)	

Mr. Harris (Danforth): I was paired with the hon. member for Waterloo North (Mr. Breithaupt). Had I voted I would have voted against the amendment.

Mr. Cardiff: I was paired. Had I voted I would have voted for the amendment.

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

On section 1—*Expiration.*

Mr. Wright: Will the minister say whether the government propose to renew any of the contracts now in existence? I understand that these contracts expire in August, and I should like to know if it is the intention of the government to try to re-negotiate them.

Mr. Gardiner: The contract with Great Britain for pork products calls for delivery of a certain quantity week by week throughout the year. In other words it is not a contract that is tied down to August; it covers the twelve months, and there will be no question about its renewal before the end of the calendar year. Whether or not we will be taking delivery of a sufficient amount of pork products to fill the contract is another question. Present indications are that this may be the case. The cheese contract is for the whole year as well, so the only question involved is the renewal of the contracts for another year. As in other years, of course, this government is subject to the decisions that may be made by the other party to the contract.

Mr. Wright: The minister still has not stated whether it is the intention of this government to at least try to re-negotiate these contracts. I do not know whether the British government will be prepared to do so, but I would like to know if it is the intention of our government to try to have these contracts renewed.

[Mr. Speaker.]

Mr. Gardiner: The Canadian government is the agency that pressed for these contracts in the beginning and has pressed for their continuance right down to the present time. We have not been responsible at any time for the withdrawal or cancellation of any contract. I would impress upon the committee that in all probability, considering that the government is pretty much the same as it has been for some time, we will go right on doing what we have done in the past.

Mr. Bryce: The minister said the sixty million pounds for this year was to be delivered week by week. Does that mean that if we fail to meet the weekly quota we lose that much, or can we make it up by sending an extra supply the following week?

Mr. Gardiner: The only way it could be affected would be by delivering more than the specified amount within a certain period, but we meet that situation by keeping it in cold storage in Canada and delivering it week by week until we come to the end of the year. We are not allowed to deliver more than the contract calls for week by week.

Mr. Bryce: Then that will be up to the meat board?

Mr. Gardiner: Yes, and if the quantity supplied is sufficient to meet that weekly quota. I assume that if we were to miss a week, or if we did not have quite enough one week, we might lose that amount, though I am not too sure about it.

Mr. Bryce: Then for my own information I want to ask the minister another question. Does this contract price run out on July 31, or only the subsidy that is being paid? I understand the contract is good until December 31, but that the 32½ cents now being paid to the packers is only good until July 31. Would the minister straighten me out on that?

Mr. Gardiner: The contract does not determine that at all, nor does anything that has been said determine it. The circumstances as they proceed may determine it one way or another, but at the moment, as I said a little while ago, it looks as though in all probability the contract will continue right on through, without getting anybody into any trouble.

Mr. Lennard: Will the subsidy continue?

Mr. Bryce: If the minister would come out and say the government is right behind the farmer, and is going to see to it that he receives 32½ cents until the end of the year, the farmers would know whether they were coming or going. The way it is now, they do not know.

Mr. Ross (Souris): Just to follow that matter up, suppose the contract is not filled at the end of June, will the government continue paying the subsidy? As I understand it, the minister says that will expire at the end of June; but supposing the contract is not filled, and there is a great deal in what the member for Selkirk has said, that there is confusion among the western farmers. The western hog producers are fearful of what will happen to their markets on the first of July, 1950. The minister should give us more details as to what the policy will be following the first of July if the contract has not been filled.

Mr. Gardiner: It has been announced on a number of occasions, Mr. Chairman, but I do not mind announcing it again. When the 60 million pounds have been purchased and delivered to Britain, the undertaking in connection with the contract that the British will pay 29 cents a pound and the government will pay 3½ cents per pound is at an end. It is at an end when we have obtained the amount of Wiltshire sides which are necessary to fill the contract.

Now, anyone who goes out and says that is going to be the 30th of June ought to know what the facts are before he says so. I do not think it is going to be the 30th of June, and I do not want anyone saying I think that. There is a possibility it could be, but that depends on how many hogs the farmers deliver, and at what price. The fact is that the Canadian people are now paying from one cent to two cents per pound more for pork in Canada than the farmers could receive under the British contract. That condition could easily continue, and then the contract would go through to the end of the year and there would not be any difficulty.

Mr. Tustin: Does this bill cover only one product? No one has mentioned yet whether the government intends to requisition cheese, so I should like to ask the minister if it is the intention of the government to requisition cheese this year?

Mr. Gardiner: All I can say with regard to that is that the producers met me on Friday and asked that cheese be requisitioned. I have not taken the matter up with the government as yet, but we have been asked to requisition cheese.

Mr. Cardiff: Following up what the minister has said about hogs, I understand that as soon as we have supplied that 60 million pounds, the subsidy will be cut off, whether it is July, August or September, whatever time it is.

Mr. Gardiner: No, not if the Canadian people are as anxious to buy pork as they are at present. They are paying no attention to the floor price of 29 cents, and are paying about two cents additional. As long as that condition of supply and demand continues, there is not going to be any cut in the price the farmer obtains. As a matter of fact up until now, with the exception of probably one or two weeks, the farmer has had no benefit from this at all. The Canadian people are buying pork at higher prices than provided for in this contract.

Mr. Charlton: Mr. Chairman, we know about as much now as we did when we started. If this contract is not filled by June 30, then what happens to the price of 32½ cents? Do I understand that the government subsidy is to be dropped if the contract is filled by June 30?

Mr. Gardiner: We shall go on buying pork until we get the 60 million pounds. If the contract is not filled on the first of July, purchases will be continued beyond that.

Mr. Charlton: But you will not be paying 32½ cents for it?

Mr. Gardiner: Yes, otherwise we will not be able to fill the contract. There will be only one reason why we have not got it filled by the first of July, and that will be because other people will be paying much higher prices. If the other people do not buy at the higher prices, we will have the 60 million pounds. Up until now they have been paying the higher price, and while that condition continues we are not likely to fill the contract. The hon. member is right, however, in suggesting that the contract is not getting any more money for the farmer. Money is being obtained for the farmer from the fact there is a good market in Canada.

Mr. Charlton: Are we to understand that the 32½ cent price will continue after the first of July if the English contract is not filled?

Mr. Argue: If the English contract is filled, then the whole floor goes out from under hogs. The floor is tied up to the contract, and when the contract is filled, there is no floor.

Mr. Gardiner: I should not like to say that, because we shall probably do something else at that time.

Mr. Bryce: Tell us about it.

Mr. Argue: That is the reason why the farmers of this country are disappointed in the government's agricultural policy. They used to have a policy of announcing every year the price for the following year. Now, instead of making the policy more permanent, the minister says there is a price up until the end of June, up until the British contract is filled. After that, there is no floor under hogs.

Mr. Gardiner: There is no difference whatever, Mr. Chairman, between the position right now and the position in 1949. In 1949, the position was that there was a floor under hogs, owing to the fact that we sold Wiltshire sides at 36 cents. This made a certain price possible in Canada. In 1949 hogs sold at 7 cents above that price and, for that reason, we were not getting bacon to fill the British contract. We never did fill the contract. At the moment there are suggestions that we shall not be able to fill this one; I do not know, and I am not guessing. We have been accustomed to following the thing through to its finish. If we find there is some reason for doing something different from what we are doing, then we usually do it.

Mr. Argue: Under the policy last year, the government had a large contract which was not filled, and therefore the floor price remained throughout the year. This year there is a small contract, and as soon as it is filled—it will be filled if we ship in 1950 as much bacon to Britain as we did in 1949—there is no floor price.

Mr. Gardiner: There is no use having statements go on the record that are not correct. Right up until the end of 1949, within a month of the end of the year, the members on the other side of the house—I should say over in that corner of the house rather than on the other side—were making the same statements the member for Assiniboia has just made. It was true that we had not filled the contract up until the end of September or October last year. We got enough to fill this contract in the last six weeks.

An hon. Member: The packers did.

Mr. Gardiner: They had nothing to do with it; it was the farmer. Anyone who knows anything about farming, and apparently my friend does not know much—the member for Calgary East could tell him because he raises hogs—knows that the farmer in western Canada breeds his hogs in the spring of the year. Not a large percentage of the farmers raise two litters, because of the climatic conditions. These hogs are ready for market in October, November and December. That is where the big surplus of hogs is produced. Most of the hogs produced in the eastern part of Canada could be consumed in the eastern part of Canada. In order to get these supplies for the British contract or any other contract, we must wait until the latter part of the year. That is when we got them last year, and it is when we may get them this year. The present indications are that we are not going to get them in the early part of the year. The records over several years indicate that we shall not get them in July, August or September, so there are only the latter few months of the year left in which to obtain those supplies. If we run into difficulties at the end of the year, I think we shall have some way of meeting them.

Mr. Bryce: A man once told me that the Scottish people always died laughing. I asked him why, and he said that they began to see things just as they were passing away. I seem to be pretty well mixed up today, because I cannot get into a sensible argument with the Minister of Agriculture. I just do not know what he is saying. He is arguing two ways at the same time. I want the matter cleared up. I want him to tell us exactly where we are. Some time ago I said that the packing companies in Canada were paying less for pork than they had been before, and the minister told us that the consumer is paying more than he has ever paid before.

Mr. Gardiner: I was talking about the packer.

Mr. Bryce: What are you fellows thinking about in letting the packers get away with that robbery? It is robbery. Last September in Winnipeg the price was depressed from $30 to $24. Prices were depressed $9 a hog. The producer is getting $9 less and the consumer is paying from 1 to 2 cents a pound more. The packer is sitting and laughing up his sleeve at it, and the minister does nothing about it. We want you to settle these prices, and tell us what we will get for our hogs a year or two years ahead. If you do that you will have a steady stream of hogs coming to the market for Britain or anyone else who wants them.

Mr. Ross (Souris): Did I understand the minister to say that he has the power to seize products, even on the farm, if they were required to fill these contracts?

Mr. Gardiner: That is right.

Mr. Ross (Souris): I want to be clear about it because of what happened before we went into committee. The minister now has the power, or his officials have, to seize these commodities to fill the contracts?

Mr. Gardiner: Yes.

Mr. Fair: In the event that the British contract is filled by the end of June and the Canadian people decide to switch to eating chicken or turkey or beef, and do not wish any longer to pay more than that which was guaranteed the farmer, namely, 29 cents a pound, will the government continue the subsidy of 3½ cents a pound?

Mr. Gardiner: There are too many "ifs" in it.

Mr. Fair: I just want to know whether we are going to be paid the subsidy if the British contract is filled, provided the Canadian people do not continue to purchase as much as they are doing at the present time.

Mr. Gardiner: The only answer that I can give you is that the Canadian people ate 32 per cent more pork in the month of February this year than they did in the month of February a year ago. If the Canadian people keep right on eating that much pork, or anything near it, all your worries are going to pass away, and why worry until you have to?

Mr. Charlton: I should like to ask the minister if he is going to do any worrying about it, if that occasion does arise. He made the statement a moment ago that the bacon contract with Great Britain was filled in the last couple of weeks of 1949. Did I understand him correctly in that?

Mr. Gardiner: No, it was increased from down to where it was, lower than it would require to be this year, in order to fill this year's contract. My hon. friend across the way said that last year we were producing a lot more and we were marketing a lot more. Well, this year we have a very small contract, and I was saying to him that there was not enough delivered last year until we got down to within, I said, two or three months of the end of the year. There was not enough delivered to fill this year's contract, but after that time—most of it in the last six weeks—we secured sufficient to bring it up to 100 million pounds.

Mr. Charlton: That would not fill last year's contract.

Mr. Gardiner: But it would fill this year's.

Mr. Wright: I just want to give a few more "ifs" to the minister. When I was speaking a moment ago he said that in all probability, on the receipts of pork we were now getting, the contract would not be filled for some time, that it might be October when the spring litters are coming on the market before there would be sufficient to meet the 60 million pounds of the contract. If that is so, and we find that in October our marketings of hogs are the same as they have been in October and November of other years, in all probability we will find that the contract will be filled right in the middle of the heavy delivery season next fall, with the government support price being dropped right in the middle of that season, and with the packers getting fairly large deliveries. We shall find the market too in the same position as we found the egg market just a short time ago. From what the minister has told us, that is the position in which we are likely to find ourselves next fall.

Mr. Gardiner: The contracts for the first three years of the war were from November 1 to October 31 the following year. Then we moved it up two or three weeks at a time until we got it from January 1 to December 31. What I said when we announced this program is that we were going back to the natural hog year, and any agreements that we make in the future will be as from the first of November to the thirty-first of October the succeeding year. Therefore in so far as any future arrangements of any kind are concerned, we are not worrying so much as some of our friends are, because we know from the statistics that there scarcely is ever enough pork produced, or at least marketed, between the first of July in any year and the first of October in any year to supply this market; and if we get down to the thirtieth of June without any trouble, we do not expect any trouble at all until at least the first of October, and then we are within thirty days of the end of the natural hog year in this country. That is what we expect to get back to this year, and any of our worries for the next year will start with October and go on into the next year.

Mr. Tustin: In the past years we have had large contracts for cheese with the United Kingdom government at 30 cents a pound. This year I understand the contract price is 25 cents a pound, plus a subsidy of 3 cents a pound paid by the federal government. I should like to ask a question along the same lines as the ones we have been asking in regard to pork products. Is the minister going to requisition cheese? Judging by the answer he gave a short time ago, that is his intention. When the 85 million pounds of cheese have been received by the government under requisition, will the 3 cents a pound continue on the remainder of cheese marketed during the year 1950?

Mr. Gardiner: Mr. Chairman, there is not very much in common between the position in relation to hogs and the position in relation to cheese. In the first place, in Canada we consume almost a billion pounds of pork, and we contemplate selling only 60 million pounds. On the other hand we export from Canada at least 70 per cent of all the cheese we produce, and that is the cheese that we are trying to anticipate; but we say we are going to sell 85 million pounds to Britain. If we are right in our calculations of the production for this year, which would be an increased production as compared with immediately preceding years, then we shall be taking a very considerable quantity of

cheese from the farmers, if we get 85 million pounds in the whole year, and the remainder of the cheese is sold to the Canadian public.

The Canadian public is paying for their 30 per cent the extra 3 cents as well. That is the only way they get it. The result of that would be much the same as the other, I think, except that the means by which we shall arrive at the conclusion will not be the same. I think that cheese will market at a price which will be fairly satisfactory in relation to the floor price which has been established.

Mr. Tustin: I take it the answer of the minister is that the subsidy will apply only to the 85 million pounds?

Mr. Gardiner: Well, no; if the 85 million pounds, plus whatever is consumed in Canada, makes up the whole production, then the 3 cents will apply to it all. If there happened to be a surplus at the end, with which someone had to deal, then that again is the same question: the government would have to decide what they were going to do. At the present time we anticipate that the cheese will all be sold at this price.

Mr. Charlton: Has the 17 million pounds of cheese the government bought last year been disposed of? If not, where does the government contemplate disposing of it?

Mr. Gardiner: As a matter of fact we purchased over 20 million pounds, and I think there is somewhere between 17 million and 18 million pounds of it still in the hands of the government. That will be sold, we expect, on the Canadian market.

Mr. Charlton: How is the grade standing up on the cheese held over from last year?

Mr. Gardiner: I understand it is standing up very well. There is the occasional cheese that does go wrong, as anyone connected with the cheese business will understand. But there is nothing out of the ordinary in connection with the cheese in storage now.

Mr. Bater: The hon. member mentioned the bewilderment of the farmers at the present time. I would say that in my view in the last ten or twelve years the farmers of Canada from coast to coast have had a sense of security greater than they have ever had before. It is difficult to say, of course, what the future has in store. I should think it would be difficult to incorporate in the act any formula such as has been suggested. I do believe however that the Minister of Agriculture and the Minister of Trade and Commerce are well aware that a continuation of the general prosperity in Canada depends upon agriculture. I am convinced that between those two right hon. gentlemen, one of whom is connected with production and the other with the selling of that production to any country in the world, we may rest assured that they will see to it that it is done to this country's advantage.

Mr. Fair: In addition to what my neighbour down the line has said, I suggest he should have added the Minister of Finance and his crackpot staff, which restricts money to the people, in the belief that that is the way they can get rid of goods in Canada. Speaking of hogs, how many pounds of Wiltshire sides have been supplied under the present contract?

Mr. Gardiner: I am afraid if the hon. member uses those terms, in referring to the Minister of Finance, he will have to change his name.

Mr. Fair: I was asking the minister a question. Apparently he has this financial matter on the brain, and it would seem that he did not hear what I said. I asked him how many pounds of Wiltshire sides had been supplied under the present contract.

Mr. Gardiner: I do not know that I have the figure right down to date. However, the last figure I did have was running considerably below last year's supply. It was running at about fifty per cent of last year's supply at the same time. I can dig those figures out of the papers I have here, if the hon. member wishes to have them. However, it was about 1,500,000 pounds less, the last time I saw the figures, for the first few weeks of the year.

Mr. Knowles: The minister is never stuck for a figure.

Mr. Abbott: His figures are right, too.

Mr. Diefenbaker: A number of farmers in my constituency sold their hogs early in January, before the announcement of the floor price. Those sales were made at prices considerably lower than the floor price. There was no way to stop them. Possibly if I were to place a concrete example before the minister he would be able to give an answer that would be generally applicable to the many other farmers in positions similar to the one I have in mind.

The farmer to whom I am now referring shipped a number of hogs that were slaughtered on January 18, 1950. The price received at the slaughter-house at Moose Jaw for those hogs was $23.75 per hundredweight for part of them and $23.35 for those in a lower grade. The farmer in question, who is typical of a number of farmers in a similar position, asks this question: As the price was at this low figure for only a short time, until the government established a floor price, what is being

done either by the government or by the companies to compensate producers for their loss during this period of adjustment?

The minister may at the same time explain how many hogs were marketed during the first eighteen days of January, and whether or not farmers who marketed at that time will be compensated for the difference between the price they received and the floor price established shortly thereafter. My personal view is that they should not be placed in a position in which they are discriminated against. They had no knowledge that a floor price was going to be established. They marketed at that time, and I think they have a good case when they ask for consideration.

Mr. Gardiner: The announcement of the floor price on Wiltshire sides was made in December, not January, and before the Christmas vacation. They did know what the price was going to be, so far as the price of Wiltshire sides was concerned. However, the statement that the price was low in the first two weeks of January is correct. Indeed, it may have been a little longer than that; I have not the exact figure.

Mr. Diefenbaker: These figures are up to January 18.

Mr. Gardiner: But there was a period in the early part of January when the price was low. Now, I am not too sure—it depends on what the hon. member is talking about.

Mr. Diefenbaker: Moose Jaw.

Mr. Gardiner: That is a long way from Toronto. The position at Toronto was that if prices were comparable with the 29 cents, plus 3½ cents, which is 32½ cents on Wiltshire sides, then the price which would be obtained was, I believe, 26 and a fraction cents for hogs. Then, when you go back to Winnipeg on that basis you are down perhaps from 75 cents to a dollar, depending on the nature of the delivery. If you go back to Moose Jaw you go down that much further.

Mr. Diefenbaker: What is the difference?

Mr. Gardiner: The difference is 75 cents to a dollar as between Toronto and Winnipeg, depending on the circumstances of the case. However, we usually count 85 cents when we are talking about shipping. It can vary that much.

There was a period of time when I suppose all the people were trying to adjust themselves to new conditions. The farmers did not deliver as many during that period of time as had been their custom and, despite the fact that they were not delivering as many, the price was lower for a while. We were not getting as much to deliver under the British contract. But as time went along and they got adjusted to the new condition—it took about two weeks, or perhaps a little longer than that—from that time on, the price has been running a little above.

I follow the market; I have the prices on my desk every day, and I know that it has been running a little above what the 29 plus 3½ cents would make it absolutely essential for anyone to pay. I say in reply to the hon. member for Selkirk, as well as other hon. members, that while I have no reason to speak on behalf of the packers, I think probably sometimes he is a little hard on them. The packing houses last Thursday, when we were discussing this bill, were paying $28.75 for hogs. Under the floor price they do not need to pay that. They are paying that for hogs simply because they could get a higher price from the Canadian consumer than they could get under the British contract; they are selling at a higher price to the consumer. The price I was quoting was the price to the consumer. That is the price that is being paid for hogs on the market and that is higher than the purchaser of hogs needs to pay if he is going to stay at the floor. We have always argued that he is not necessarily going to stay at the floor, and as a matter of fact does not do so unless conditions force him into that position.

Mr. Diefenbaker: I take it from the words uttered by the minister that the government is making no compensatory payments to these farmers?

Mr. Gardiner: That is right.

Mr. Bryce: Who holds the Wiltshire sides? Are they held by the packer or by the meat board? If they are held by the meat board, who pays the cold storage?

Mr. Gardiner: Wiltshire sides are delivered to the meat board, if there are any Wiltshire sides coming on the market at the floor price. That is all we get. We hold them and storage has been arranged for with the British under the contract. Under certain conditions they pay for it and there may be some conditions under which we pay for it, but I do not recall them.

Mr. Bryce: How long can you hold Wiltshire sides with safety?

Mr. Gardiner: If the conditions were to develop that my friends have been anticipating, namely, if we had 60 million pounds at July 1, we would be required to hold

30 million pounds for the last six months. That can be done without risk in connection with the product.

Mr. Argue: Before I reply to the comment the minister made some time ago I should like to associate myself with the remarks of the hon. member for Lake Centre who suggested that the farmer who suffered at the beginning of the year because of the government's indecision as to what floor price would be established is entitled to some consideration.

The minister said that I probably do not know very much about hog raising and I want to tell him that he is correct. But when I was a young lad of 16 years of age in 1937 I had 30 pigs which I was raising. They were a mile out of town and I had to walk out two or three times a day to feed them. While I may not have been raised on a farm as a boy I did have a few pigs and in that respect I probably know as much about hog raising as does the minister or anyone in the government service.

The minister made the statement that in 1950 the marketing of hogs probably would follow the same pattern as in 1949, namely, that many of the hogs would be marketed in the last three months of the year and sold under the British contract. I do not know whether that will happen in 1950, but I know that that has not been the general pattern of deliveries of bacon to Great Britain in the last few years.

Mr. Gardiner: It will not be this year either.

Mr. Argue: We are a bit alarmed because in the last three months the packers succeeded in offering to the government 37 million pounds of bacon according to the trade of Canada, exports, dominion bureau of statistics, for 1949, which was 55 per cent of all the bacon delivered. In the three months ending the year 1947 the packers offered to the government and delivered to the board only 48 million pounds out of a total of 232 million pounds during the year, or some 20 per cent.

I do not intend to place all the figures on the record, but I may tell the minister that in 1948 we delivered under the British contract in January 25·8 million pounds and 29·2 million pounds in March as compared with 7 million pounds in October, 4·2 million pounds in November and 7·2 million pounds in December. Therefore I do not think it is correct to say that the pattern followed in 1949 is likely to be the pattern followed this year. If the pattern of deliveries to the board in 1950 is similar to that of 1948 then there would be much more than 60 million pounds offered in that period of time.

[Mr. Gardiner.]

Mr. Tustin: The minister said a few minutes ago that the government had 20 million pounds of cheese in storage. Is it the intention to use a portion of that to partially fill the United Kingdom contract this year? What success has the minister had in developing a market for matured cheese in the southern United States?

Mr. Gardiner: The statement I made a few moments ago was not that we have 20 million pounds in storage now. My hon. friend over here suggested that we had bought only 17 million pounds and I said we had bought over 20 million pounds in the year and now have somewhere between 17 million pounds and 20 million pounds in storage. That cheese has to be disposed of in some way. I understand that the question was whether we are going to use any of it to supply the British market. We have not determined that as yet.

We think at the moment—we may be right or wrong in this—that the Canadian people have not been great consumers of cheese largely because over the years that have gone by the poorest cheese has been palmed off on them while the best cheese has gone to the British market or elsewhere. There are some of us who think that we now have an opportunity of testing out this market with cheese that is well cured. If we do I hope we will get more than the British offered us for it. I said once before that I did not want to repeat the figure which was offered for the cheese some time around Christmas, but it was quite low. I am quite sure that unless we are able to get a little more than that for it none of it will go to Britain. We think we can sell it elsewhere, and our hope is that we can sell a lot of it in Canada.

The other question had to do with the market in the southern states. We have not been too successful there. When the British thought they could not get sufficient cheese from us last year they bought the surplus United States cheese which increased the price in the United States for a time. My understanding is that they now have considerable cheese. As I say, we have not been successful in attempting to market cheese there. On one or two occasions we have been in the position where we probably could have turned over some of that cheese at a price lower than we had paid for it. Someone might have made some money selling the cheese in the United States, but we do not think that that should be our objective. We think our objective should be to maintain the price of Canadian cheese at as high a level as we can and if possible to encourage the consumption of cheese in Canada. We hope

to utilize cheese which we think is good cheese for the purpose of trying to encourage that consumption.

Mr. Ross (Souris): I realize that most of our cheese is produced in eastern Canada. In western Canada the dairy people produce butter rather than cheese. We also realize that butter and hog production go pretty well hand in hand. I know of quite a few dairy people in western Canada who are much concerned whether or not they should continue in the dairy business. I read an article reporting a speech of the minister delivered at the municipal convention held at Saskatoon about the middle of March in which the minister indicated that if necessary a campaign would be launched to prevent oleomargarine manufacturers producing to the extent that it would threaten the 400,000 Canadian dairy farmers. In all fairness I must admit that many farmers use oleomargarine, but the question that concerns me is what these dairy farmers are to do about continuing future production. They have an investment, and the fact that there is a guaranteed price for butter is not sufficient to keep them in business if the manufacture of oleomargarine is finally going to undermine them. It would be helpful to these dairy people if the minister could tell them what the campaign he intends to promote may consist of, or whether legislation is proposed. In all seriousness, may I say that it would be most helpful to dairy people west of the great lakes if they could be given a lead along this line. As I say, I am mindful of the fact that many farmers use oleomargarine.

Mr. Gardiner: I do not want to object about the direction the discussion is taking, but you will recall that when we started this afternoon I was hopeful we could get this bill out of the way and have all these discussions on the other one. Both measures are somewhat involved in matters such as the one that has now been brought up, but I think the discussion would come better under the Agricultural Prices Support Act.

Mr. Ross (Souris): I am quite prepared to leave it if the minister will make a statement which will be somewhat encouraging to the dairy people of western Canada.

Mr. Gardiner: I think I could make a better statement at that time than if I were to attempt to answer the question under this measure. I would prefer to do that.

Section agreed to.

Bill reported, read the third time and passed.

AGRICULTURAL PRICES SUPPORT ACT

PROVISION FOR CONTINUATION IN FORCE ON AND AFTER MARCH 31, 1950

Right Hon. J. G. Gardiner (Minister of Agriculture) moved the second reading of Bill No. 17, to amend the Agricultural Prices Support Act, 1944.

Mr. J. A. Charlton (Brant-Wentworth): Mr. Speaker, as I understand it, the Agricultural Prices Support Act is quite similar to the bill which was just passed. Under this measure the minister can do almost anything that can be done under the Agricultural Products Act except the seizure of products. I should like to make our position clear on the question of the amendment to the previous measure. What we voted against was the power left with the minister to seize agricultural products. In every other respect, as I see it—and I may be wrong—the Agricultural Prices Support Act gives the minister the power to do practically anything else that can be done under the Agricultural Products Act.

Mr. Wright: On a point of order, Mr. Speaker, I should like to correct the hon. member if he means that under the amendment which I moved we were suggesting that there should be compulsion.

Mr. Ross (Souris): It is already in the act; it could not mean anything else.

Mr. Wright: I was not referring to this act at all. I was referring to a new board set up under new conditions.

Mr. Charlton: The party you represent has always been in favour of government controlled marketing of agricultural products.

Mr. Wright: And still are.

Mr. Charlton: That is the thing we are against. We are against government marketing of agricultural products. If you want to continue that kind of legislation and make it permanent, then, as I said previously, that is why we took the stand we did against the amendment. We do not want a continuation of government control of the marketing of agricultural products with the minister having the power to seize products of the farms.

Mr. Knowles: On a point of order, I suggest that the hon. member should be prevented from arguing about the substance of an amendment on which the house has made its decision, because if he is permitted to state his reasons for voting one way, other members could state their reasons for voting the other way. I think that question has been decided.

Mr. Speaker: That point was brought to my attention by an interjection a moment ago. I did not stop the hon. member for Brant-Wentworth (Mr. Charlton) because I thought he was merely making a passing reference. I think that is what he was doing, and I would ask him now to discuss the bill before the house. Probably I should point out to the house that the house did not agree to the suggestion of the Minister of Agriculture that the two bills should be discussed at the same time. Not having agreed to that suggestion, the house must now discuss only the principle of the bill before it.

Mr. Gardiner: While that is correct in the strictest sense of the term, Mr. Speaker, I think I would hardly be playing fair with members if I did not say that they agreed to put the two bills through the resolution stage in the way they did—after all I had only asked them to consider the matter up until then—to speed up the passing of those resolutions. They did that, and I would hope that you would not now rule that they cannot discuss anything in the bill we just passed, particularly in the light of what I said just before it was passed. I think members will keep themselves within bounds in doing so, and I hope that you will permit a rather free discussion of the two bills.

Mr. Speaker: I was not in the house when the minister made his closing remarks on the last bill, but in view of what he has said I think I should allow considerable latitude in this debate. I would remind the house, however, that the question before it is the principle of the present bill.

Mr. Charlton: I appreciate your ruling, Mr. Speaker. I only wanted to make a few brief remarks about the other matter in passing. We of the Conservative party have always been in favour of legislation similar to that which is before us now. As I have stated before in the house, it was originally the policy of our party. We have no actual criticism of the principle of the bill except that the original act does not fix any formula for setting floor prices. Everything is left to the Minister of Agriculture (Mr. Gardiner). In other words, he might still want to have a finger in the control. He cannot tell us how the present floor prices were arrived at except by the juggling of figures. There is no definite plan to relate it, in any way, to the farmers' costs. That is obvious, because their costs have not gone down, while floor prices have.

It is absolutely ridiculous and meaningless for the right hon. Minister of Agriculture (Mr. Gardiner) to endeavour to create the impression that Canadian farmers are receiving higher prices than farmers in any other country in the world, unless in each case he also shows the relationship of those prices to domestic costs. Can the minister give parliament the facts upon which he based that statement? Just this morning we received in the mail the latest Searle Grain Company report, that of Wednesday, March 22, from which I want to read one paragraph on the back page:

Supported British Agriculture

British farmers are being supported at the moment at prices for their products considerably higher than the prices at which most farm products could be imported. The London *Economist* in its issue of February 18 asks this question:

"In the course of time, increasing quantities of food are likely to become available from overseas which can be paid for in sterling. Supposing that the cost of such food is (as on present trends it certainly will be) substantially lower than the prices being paid to British farmers, what course will the government of the day pursue? Will it stand by the promise to purchase the whole output of British agriculture at whatever the cost? Or will it plead a prior duty to keep down the cost of living, and force on British agriculture a sharp and unpleasant adjustment?"

I think that is enough to show the minister was wrong the other evening when he said the prices of our agricultural products were higher than those of any other country. This quotation plainly shows that the prices of agricultural products in Great Britain are higher than those same products can be bought for elsewhere. All the figures the minister quoted last Thursday were wholesale prices, not prices to the producer; and in many cases there is a tremendous difference. For instance, the minister quoted 42·3 cents per dozen as the low price for eggs in 1949. I know, as do many hon. members, that the price to producers for ungraded eggs went as low as 16 cents a dozen last December. The government now guarantees the wholesaler who purchased those eggs for 16 cents a dozen a price of 38 cents plus storage for grade A large, which is rather a nice profit. It makes one wonder for whom the minister is actually working, the producers of this country or the wholesalers. A conservative estimate would be that one-quarter of the entire economy of this country is directly dependent upon agriculture. If our agricultural economy is allowed to deteriorate, the result must be obvious.

The other evening when the minister was reading his 1944 speech in the house, at page 1043 of *Hansard*, he said:

I hope that our markets for farm products for a period of years, possibly two or three or more, for most of our products, will be sufficiently good that we shall be able to obtain a price which is comparable with the price we are now obtaining for our farm products of different kinds. If so, the board that is in existence during that period of time will be keeping a check on what is happening during that period, comparing it with what happened during the war period—

I stress these next words.

—and immediately there is any necessity for taking action in connection with any farm product, authority is given the board under this legislation to purchase a surplus of that farm product at the floor price which the government of the day considers to be a reasonable floor in the light of all the facts existing in connection with the case.

Was that the situation when the floor price for eggs was fixed last fall or this spring? I do not think it was, because the government waited practically a month and a half before the floor of 38 cents was fixed. Certainly that is not "immediately." Then, in the same speech the minister quoted, he said:

Then I should say it would be unfair to the farmer immediately to require him to sell at the cost of production, without considering at all any losses he sustained because of the war or any returns he was denied through the controls established during the war. The suggestion was made that farmers had been denied returns in the earlier part of the war and that just at the time when in the ordinary course of events according to the experiences of the last war, he would have reaped some returns which would have been helpful to him, ceilings were placed upon prices, as a result of which he was denied as great a return as otherwise he might have received. All those matters would have to be taken into consideration during the transition period along the lines I have suggested.

Then, speaking over the radio from Niagara Falls on Monday, January 30, taking part in the national farm radio forum, he answered a question asked by Mr. Roy Marler of Alberta:

Mr. Marler: I would like to direct my question to Hon. Mr. Gardiner. My question is "What basis or formula does the government use in arriving at a support price?"

Mr. Gardiner: In the matter of arriving at a support price, we follow the plan or idea which was laid down in 1944 when we suggested that most of our farmers—at least as their opinions expressed in farm organizations—considered the years 1943-44 as very satisfactory from the standpoint of returns as compared with costs, and we estimated that 1945 would be a similar year. We hoped at that time the war would end in 1945. The war did end in 1945 and our undertaking was that we would keep a record of the situation existing—that is, the relationship between farm prices and farm costs in the last three years of the war; and through the transitional period, we would attempt to keep the returns to the farmers in that fair relationship to the cost of the products they had to buy. That, generally speaking, is the plan and formula.

Well, Mr. Speaker, I would say it was very generally speaking, with several ifs, ands and buts. Last Thursday evening the minister quoted the low price for eggs in 1949 as 42·3 cents. Let us look at the prices received under the contracts, during the years the minister mentioned. I find that the price in January, 1943, was 37 cents a dozen; in February, 36 cents; in March, 34 cents; and from April 20 it was 35 cents. In 1944 the price was 35½ cents a dozen, and for 1945 it was 39 cents in the spring and 44 cents in the fall, with fresh eggs at 48 cents, fall storage. Then if we take *The Economic Annalist* for February 1950, we see that the index of farmer's costs have varied a good deal in those same years. The average for 1943, 1944 and 1945, as I have worked it out, was 148. In 1943 the index figure of farm costs, taking eleven factors, was 143·4. In 1944 it was 148, and in 1945 it was 152·1. The average of those three figures is 148, while the index for those same costs as of 1949, the latest available figure, is 204. I think most hon. members will agree they have not decreased. It anything, they have gone up in 1950.

Now, Mr. Speaker, in arriving at the floor price the minister says that they took the figures for 1943, 1944 and 1945, based on the increase in costs since those years, and set the floor prices. As I calculate the changes and the increased costs using the low of 34 cents in March 1943 that would set the floor price for eggs at 46 cents. I should like to have the minister justify or substantiate his floor price of 38 cents for eggs which was set on January 26 this year.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, the principle in the bill before us is quite simple. It asks that the Agricultural Prices Support Act be continued after March 31 of this year. I believe it is quite obvious to everyone that legislation is needed that will enable the government to place floor prices under farm products. During the last 15 or 16 months Canada has witnessed, as has the United States, a severe drop in farm income. Unless the government has legislation such as the Agricultural Prices Support Act, and unless the legislation is used in the proper manner, then there are sorry times ahead for the agricultural industry.

The farmers of this country are looking to the federal government to establish adequate floor prices under the main agricultural commodities. They believe that the low prices which have come about in the last few months have resulted directly from the policy this government has followed since the war. That being so, they are looking to this government to set proper floor prices. It is admitted by the government, and has been admitted by it since the end of the war, that the government does not believe in contracts for agricultural products on a permanent basis. In order that that point may be quite clear—

Mr. Gardiner: In order that it may not be repeated, I would say that is not true.

Mr. Argue: I shall repeat it, and it can be substantiated by a reading of the preamble of the Agricultural Products Act, under which the government fulfils the contract.

I have not the preamble before me, but I think the minister will agree that the Agricultural Products Act was set up under the Transitional Measures Act. When the minister comes before this house and says there is still an emergency resulting from the war and we should, therefore, pass this act for another year, he is saying that contracts are not going to be undertaken on a permanent basis. If the government were really anxious to inaugurate contracts for the sale of agricultural products year in and year out, it would bring in a permanent act, instead of asking us to extend the Agricultural Products Act from year to year under this emergency powers legislation.

I say, too, that if this government believed in bilateral contracts and the bilateral method of trading, then the Minister of Trade and Commerce (Mr. Howe) would not have denied that the government would undertake such contracts. It would not have been necessary, if this government believed in the bilateral method of trading, for the Minister of Fisheries (Mr. Mayhew) to amend what I considered was an excellent speech, in which he advocated bilateral agreements. The difficulty in which we, as a nation, find ourselves is that, in spite of what the member for Provencher (Mr. Jutras) said, I still consider Great Britain is our best market. Great Britain believes in bilateral contracts not only for exporting goods but also for importing goods. Because the British believe in that method of trading, and because this government does not believe in it, we find we have already lost a substantial portion of the British market for many farm commodities.

For example, while we shipped approximately 65 million pounds of bacon to Britain last year, under these bilateral agreements Britain purchased 20 million pounds from the Netherlands, 40 million pounds from Eire, and 40 million pounds from Poland. Under that contract, she may buy as high as 120 million pounds. Britain bought 100 million pounds of bacon under bilateral contracts and in addition took 90 per cent of the Danish surplus. While we supplied about 65 million pounds of bacon, Britain had contracts for the purchase of 200 million pounds.

May I call it six o'clock, Mr. Speaker?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Argue: When the house rose at six o'clock I was endeavouring to point out some of the need that has arisen for a support act, and why at this time a support act, with proper floors, was absolutely necessary. I had placed some figures on *Hansard* to show how we were losing the British market, and that the people of Great Britain had been able successfully, through bilateral trade agreements, to obtain large quantities of bacon from countries other than Canada.

In order to show how serious has been our loss of the British market for bacon, I might point out that back in the year 1938 Canada shipped to Great Britain 189 million pounds of bacon, whereas this year we are hoping to ship not more than 60 million pounds. This year the total value of our bacon contract is some $17,500,000; whereas in 1938, a year when we were just emerging from a depression, the value of the bacon shipped to Great Britain was $32 million, or almost twice as much as the present contract.

Policies adopted by this and other governments certainly affect the chances we have of selling our commodities in the European markets. As has already been pointed out, the devaluation of the British pound has made it more difficult for Canada to export agricultural commodities to that market. I might say that when the British made the decision to devalue the pound it was not because they wanted to, but out of sheer necessity. In my opinion devaluation of the pound was brought about largely because of the failure of Canada and the United States to purchase adequate imports from Great Britain. Because that is so, and because devaluation followed, we find a reduction in the price of bacon and of cheese under our contracts. The bacon contract price is reduced from $36 a hundredweight last year to $29 this year, almost the exact amount brought about through devaluation.

We in this group have always supported the United Nations, and the various bodies set up under the United Nations. We support the FAO, and we were sorry that when they proposed an international commodity clearing house arrangement for the disposal of surplus foods in the world's market our government, through our Minister of Agriculture (Mr. Gardiner), found it impossible to support that arrangement. Because of that, and because of the other factors that I have mentioned, we have the problem of disposing of agricultural surpluses. In my opinion that problem has been brought about largely because of the various policies adopted by the government since the conclusion of the war.

In his speech this afternoon the hon. member for Provencher (Mr. Jutras), as did the Minister of Agriculture last Thursday,

emphasized the value of the United States market. Both the hon. member for Provencher and the minister made the statement that the United States is our second best market. While the United States may be our second best market for many commodities, in my opinion that country is not our second best market for most agricultural products. I agree that the first and most important market is our own Canadian market; but in my opinion after that the United Kingdom offers the opportunity of a permanent market for most of our agricultural products whereas the United States does not offer that type of market.

At the present time the United States has, according to the Ottawa *Citizen* of March 10, almost $4 billion invested in agricultural surpluses held by the government. In looking over the list of agricultural surpluses one finds that a great many of the surpluses in the United States are identical with the surpluses we have in Canada. According to that article the United States has 100 million pounds of butter held by the government, and 25 million pounds of cheese, both commodities that Canada has had some difficulty in disposing of at 1949 prices. The United States has 52 million bushels of barley on hand held by the government, and some 627 million bushels of corn. While the United States does provide a market for surplus Canadian cattle, I do not think that country is likely to provide an effective market for Canadian hogs if after the conclusion of the present agreement with Britain no other agreement is signed.

While the United States government does not hold hogs in surplus supply, nevertheless the 627 million bushels of corn and the 52 million bushels of barley could be converted into hogs in a very short time. One cannot see that the United States is likely to provide a market for Canadian wheat, although I do know that in his speech to the FAO conference last fall the Minister of Agriculture said that he hoped the United States would lift the embargo on Canadian wheat. Whether the United States will lift that embargo I do not know, but judging by the surpluses of wheat they hold, I am afraid that such a move would be of very little value to Canada.

According to the article to which I have referred, the United States has invested over $1 billion in wheat. The United States surplus of wheat held by the government amounts to some 475 million bushels. Therefore I do not feel that the United States will provide a market for Canadian wheat.

In the last few weeks and months we have seen a drop in many agricultural food commodities produced in Canada. At the same time we do know that the prices of coarse grains, such as oats and barley, are still high. No. 1 feed oats was being sold by the wheat board on Thursday, March 23, at 96 cents a bushel. No. 1 feed barley was being sold by the wheat board for $1.35⅞ a bushel. I believe that these prices for oats and barley are high in relation to the new prices established for bacon, eggs and other agricultural products. I do not suggest that the price of oats or barley should be reduced in any way. I hope that these prices will not fall, but when I read in the press that the Minister of Agriculture was suggesting to western farmers that they reduce their wheat acreage this year by three million acres I was wondering whether he did not know that such a reduction in wheat acreage would mean an increase in the acreages of oats and barley. If there is an increase in the production of oats and barley, with the present support prices under bacon and eggs and cheese at existing low levels, then in my opinion it is inevitable that oats and barley prices will fall.

So I say the government, through the floor prices it has adopted, through the suggestion that three million acres be taken out of wheat production—and as a result, of course, most of it will go into the production of something else, probably oats and barley, with increased supplies—is expecting a lowering of the whole level of agricultural products.

If that is the policy of the government, as it seems to be, then I certainly object to it in the strongest terms. I did not expect under this measure any lowering of prices for various agricultural commodities during the present year. The Minister of Agriculture, as reported at page 1043 of *Hansard* for March 23, repeated a speech he made when introducing the Agricultural Prices Support Act in 1944. In that speech he said this:

> Then I should say it would be unfair to the farmer immediately to require him to sell at the cost of production, without considering at all any losses he sustained because of the war or any returns he was denied through the controls established during the war. The suggestion was made that farmers had been denied returns in the earlier part of the war and that just at the time when in the ordinary course of events according to the experiences of the last war, he would have reaped some returns which would have been helpful to him, ceilings were placed upon prices, as a result of which he was denied as great a return as otherwise he might have received. All those matters would have to be taken into consideration during the transition period along the lines I have suggested.

I wonder if the Minister of Agriculture could have considered the hundreds of millions of dollars of income the farmers of this country have been denied because of the government's policy over the last few years, when it was dropping the prices of bacon, cheese and eggs? Surely if the farmers are

to receive something extra because of the money that was denied them, then floor prices should not drop. Floor prices should be held at the level prevailing in 1949, so that part of the money denied the farmers in the last few years could be made up to them.

I object that the bill as it now stands does not in any definite way set floor prices under agricultural products from year to year whereby the farmer can know in advance what floor prices will be. The other night the Minister of Agriculture reviewed some of the discussions which had taken place at the convention of the Canadian Federation of Agriculture at Niagara Falls. He suggested in that speech that before Canadian floor prices were established he and his officers checked on the period 1943, 1944 and 1945. He made the statement in that speech that Mr. Galbraith, an economist from the United States, I believe, informed the convention that the basis of parity in that country was for the period from 1909 to 1914, and that that period was a good deal lower than the Canadian period of from 1943 to 1945.

The minister quoted Mr. Galbraith as having said that the United States period was in the neighbourhood of 15 per cent lower than the Canadian period. Then the minister quoted Dr. Hope, Canadian Federation of Agriculture economist, as having been surprised that the Canadian period was higher than the period accepted in the United States. Then the minister makes this statement, in reference to Dr. Hope:

> He did not say how much better, but he said it was better in Canada. In other words, our base is the highest price.

Well, Mr. Speaker, our base may be the highest price, but our base is not in legislative form. And our base, as used by the Minister of Agriculture, is only a base on which the government checks. Apparently it checks on that base, and then it sets a price lower than the base. It may be just as advisable—I do not know—to check on the base period in the early thirties, when prices were very low, and then, instead of giving that base period as the established price, set a price a good deal higher.

It is not enough to have a base period on which you are merely checking. If the Agricultural Prices Support Act is to mean anything, then the price relationship prevailing in the base period should be written into the act, and that should be the price below which farm commodities are not allowed to fall.

At this point I should like to quote from an article issued by the Michigan state college extension service, department of agricultural economics, at East Lansing, Michigan. This article is written by Mr. Arthur Mauch, and in it he points out the method used in the United States in the setting of floor prices. For 1950, under the basic crops, there is established a floor at 90 per cent of parity, and the basic floor under dairy products must be established at something between 75 per cent and 90 per cent of parity, according to the statute.

Then on the next page of the same article it sets out the various floors for 1950 for agricultural products in the United States, and shows that the United States formula arrives at a basic floor price for wheat of $2.12 a bushel; for butterfat, 63 cents a pound—5 cents higher than the present Canadian floor price under butter, and probably a good deal higher than the floor the minister may announce in a few days. I hope I am wrong in my assumption on that score. This table indicates that the floor in the United States under eggs is 51·6 cents a dozen, whereas the floor under Canadian eggs based, as the minister inferred, on the highest base period, is one of 36 or 38 cents a dozen. The floor under oats in the United States is 95 cents a bushel, as compared with the Canadian floor of 61½ cents; that under barley in the United States is $1.49 as compared with the Canadian floor of about 90 cents.

So, Mr. Speaker, I wish to emphasize again that it is not enough to have a measure like this before the House of Commons. It is not enough for the minister to say, "We have a certain base period, and we are checking on that base period"—if after he checks on the base period he does not establish floors equal to the prices prevailing in that base period.

While the United States base period may not be as high as some other periods, nevertheless the actual floor prices adopted in that country by their formula are a good deal higher than the prices established in Canada.

Mr. Gibson: How many billions did it cost them?

Mr. Argue: There is the lumber king interrupting. I suppose he is pretty happy that some of the western Canadian wheat farmers' money is now being used to support timber prices. If he will accept wheat money for the support of timber prices I think he should be willing to give the farmer a little timber money to support the prices of his products.

Because I believe that the present bill is not acceptable to the western farmer as an adequate piece of floor prices legislation, because I believe that the government should not be presenting to parliament the same act that was presented in 1944 but should be presenting legislation that spells out a formula below which agricultural prices cannot fall,

and because I believe that a change is fundamentally necessary, I desire to move, seconded by the hon. member for Moose Jaw (Mr. Thatcher):

That Bill No. 17 be not now read a second time but that it be resolved that in the opinion of this house consideration should be given to the introducing of legislation to amend the Agricultural Prices Support Act so as to provide that floor prices should be established at such levels as to guarantee to producers a price-cost relationship not less favourable than that prevailing in the period 1944-48.

During that period certain farm prices were controlled and the farmers made a contribution to the rest of Canada through having to accept prices which were lower than they could have obtained elsewhere. I suggest that there should be legislation providing that the floor prices for agricultural products cannot fall below the level of 1944-48. If that were done Canadian farmers from one coast to the other would know that they had proper guarantees and they would not have to come to the minister every year just to learn how much smaller the contract is going to be or by how much their prices are reduced.

Mr. H. O. White (Middlesex East): Mr. Speaker, I wish to take part in this debate. On Thursday last when the two resolutions were introduced we thought it would be advisable to hasten their passage through the house, but at this stage I desire to point out certain things which I feel are necessary in this type of legislation. I think all of us recall quite well the promises that were made in 1945 and 1949 with regard to the Agricultural Prices Support Act. We all know that there was a $200 million revolving fund set up under the act.

I think members of the house agree with the general principle of this act, but the workings of the act have certainly not come up to the expectations of the primary producers across this country. I agree with the statements made on the resolution stage by my colleague, the hon. member for Brant-Wentworth (Mr. Charlton), and the hon. member for Battle River (Mr. Fair). I think most primary producers welcomed the legislation because it was heralded as a step in the stabilization of prices by which they would know from month to month what they were going to get for their products when they planted them; but that has not been the result so far.

I think we all support this legislation because of the degree of stability it will bring to labour and industry. Unless the purchasing power of the primary producers is maintained it will not be long before the men in the cities will be looking for jobs. That has been demonstrated definitely during the past few months. As the prices of farm products dropped, the number of unemployed increased. It is only reasonable to expect that, because it is the purchasing power of the primary producers of this country that keeps the wheels of industry turning.

As I say, the application of the act so far has been disappointing. As far as eggs are concerned there has been too little too late. That is not what the farmers voted for in 1949. Did it provide stability for hogs? It did after a large number of producers had suffered considerable losses through not knowing where prices were going. It took the government so long to make up their minds where they were going to set the prices and the result was losses for a number of producers.

Did it provide stability for butter? Only after the horse was stolen. Did it provide stability for honey? The price of honey is down to where it was in 1900. Did it provide stability for beans? Only in a very precarious way because the bean producers themselves provided the greatest amount of stabilization in the marketing of their commodity.

We need a realistic approach to this problem of agricultural prices support. Those prices should be arrived at by a definitely known formula. They should be arrived at after consultation with the various commodity groups that know something about the cost of production and the labour factors that go into the production of their particular product.

The prices support should be clear and be directly applicable to the primary producer rather than to the wholesale trade. We have seen the results of that so far as eggs are concerned. The wholesale trade can take care of themselves in all these changes that are taking place. It is the primary producer who gets the squeeze every time and therefore any floor prices legislation should be based on a scheme that will definitely assure the primary producer what he is going to get, not the wholesaler or the middleman.

I repeat that we require a workable formula, not one based on political expediency. In the past we have seen what political prices can mean to farm products. That is one reason why I opposed the amendment to Bill No. 16. I was afraid that the price that would be paid for goods that were requisitioned would have no relation to the cost of production or to the purchasing power that those particular goods might represent for the purchase of the products of industry and labour. We do not want a "tick, tack, toe, here I go" system of picking out what the price support legislation is going to be and the prices thereunder. Taking what it was last year, we do not want a guess as to what it might be next year. That is not good enough.

That is not what the farmers voted for. We want a formula based on the needs of Canada, on the needs of Canadian markets and the consuming public, because after all the home market is the greatest potential market we have. It should be based on reality, cost of production, purchasing power, and last of all, but most important, on the idea of maintaining the economy of the country because when the time arrives that primary producers are accepting 25 per cent less for their products than they have been, you are going to have unemployment and a decrease in income so far as the government in concerned. Income tax collections will fall as will sales tax receipts and with the expenditures to which this country is now committed you will find yourselves in a very serious situation.

The cabinet is the board of directors of the nation, a crown company in a sense. During the war they made certain promises to the producers that when the war was over they would be protected so far as their prices were concerned. Now some members of the cabinet are saying that conditions have changed and that we cannot now carry on with the program outlined at that time. When a company fails to carry out its promises or to honour its promissory notes it goes bankrupt and liquidation proceedings take place. That is just what will happen to this government if it does not carry out its promises to the primary producers. There will be a liquidation.

During the war years the primary producers contributed a very large sum of money to the maintenance of stable prices in Canada on the promise that when the war was over they would be taken care of. Now the government is reneging on its promise. Why do we ask for these particular safeguards? To ensure purchasing power in the hands of Canadian citizens who will continue to buy our products. The purchase of Canadian products will bring about increased employment. One thing that is bothering everyone in Canada today is the threat of greater numbers of unemployed in all our cities. If the purchasing power of the primary producers is reduced you will have more unemployment instead of less.

Recently the newspapers carried headlines regarding the rapid action taken by the government to protect the shirt and glove industry of Canada from competition with low-priced goods produced in other countries. They were not in as great a hurry to protect our primary producers from competition with low-cost products brought in from foreign lands. If it is good for one it is good for the other. It is quite possible that the farmer and the labourer might like to get a cheap shirt once in a while. The creation of a floor price formula should not be delayed until producers

[Mr. White (Middlesex East).]

are discouraged, dismayed, or better still—mark my words, "better still" not "worse still" —fighting mad about it, because that will be all to our advantage. Again I say that while this legislation is not all that we would wish for, we welcome its introduction and hope that the amendments suggested will be carried out.

Mr. Rene N. Jutras (Provencher): Mr. Speaker, I hesitate to rise again this evening on these measures. However, the two bills are so closely related that I should like to make a few observations on the Agricultural Prices Support Act. First of all, we have heard a great deal, particularly during the resolution stage, about agricultural surpluses in Canada. It is a fact that for a great many years we have had the problem of agricultural surpluses, and apparently we will continue to have it for a few years to come. I was amazed at the attitude of the C.C.F. party as to these surpluses. If you will look at *Hansard* you will see at page 1047 the hon. member for Assiniboia (Mr. Argue) had this to say with reference to surpluses:

> It is not right, it is not just, that we should be piling up surpluses of agricultural commodities in Canada when there are hungry people in the world.

Again and again during the debate, various members of the opposition have referred to our surpluses. They have pointed to them as if it were wrong for Canada to have surpluses, and have even almost insinuated that there was something wrong with our economic system, something wrong with our system altogether that we should have such large surpluses in Canada when there were people starving in other parts of the world. I suggest that if we have large surpluses in Canada it is largely due to our system of government, our economic system, our system of free enterprise. Instead of something that should be looked upon as bad it is one of the best tributes that can be paid to our free enterprise system. There is no question that some countries in Europe have suffered destruction because of the war, but the same cannot be said of some other countries where people are starving but which did not experience the war at all. We have developed one of the most efficient systems, and when I say "we" I refer to the North American continent. We should be proud of it. Of course it raises certain problems. We have surpluses and the question is how to distribute them. At page 1052 of *Hansard* the hon. member for Yale (Mr. Jones) said:

> Obviously then, Mr. Speaker, our problem is one of distribution.

He would make it appear that the only problem involved is one of distributing our surplus goods. Of course when we go to the

bottom of the matter it is much more involved than just the question of distribution. Fundamentally it is not a question of distribution but a question of production. We know that in most of these underdeveloped countries, where people are in need of our surplus products, if their production reached the same level as ours we should have no difficulty in sending our goods to them. Therefore it is much more a question of the lack of production in other countries than a question of distribution. Be that as it may, we have this problem, and we will have it for some time yet.

Reference has been made to the many plans put forward to take care of the situation, including the Brannan plan, the ICCH plan, and I believe the Dr. Hope plan. In my humble opinion, however, none of these plans solves the basic problem. We have surpluses. People are starving in other countries. If our surpluses are to get to the people in other countries who cannot pay for them, that can be done in only one way; that is, we will have to give them away. If we give something away we get nothing in return for it, and somebody has to pay. Under the Brannan plan the taxpayer must pay for the charity that is extended. The ICCH plan is much the same thing, only at the international level. In considering this latter plan, which has been referred to by the C.C.F. party and particularly by the Social Credit group, who seem to place a great deal of faith in it, I would point out that under it Canada would be perhaps the country to suffer most. There is one problem for which a solution is not found in any of these plans; that is, a way to prevent the disposal of these surpluses from depressing prices throughout the country. As far as I know no one has found a satisfactory solution to that branch of the problem.

It is all very well to say we can depend upon the treasury to make up the difference, but we must realize that if the bill that must be paid by the taxpayers of Canada or any other country became too large, no government could possibly continue such a plan for any length of time. With prices depressed, you can imagine what would be the plight of the farmers throughout the country, so in the end the problem would be far worse than it was in the beginning. So I say that while there is a great deal of merit in all these plans, we must face the facts. If something is given away someone has to pay for it; there is no way around it. We must make up our minds whether or not we are in a position to do that. If we should go ahead with such a plan we will have to decide whether the producer or the taxpayer is to pay the difference, or whether it should be apportioned in some other way. Basically the one thing we must face is that as long as it is a gift we cannot expect anything in return; so the cost must be borne by the people as a whole. It is all very well to say there is something wrong with our system of distribution because we have surpluses while other people are starving, but the matter is not so easily resolved, and we must face that fact sooner or later.

In the course of the discussion we have also heard from our C.C.F. friends a great deal of what I would call propaganda from their socialist friends in the United Kingdom. For a full day we had a recital of the wonderful things that have been done in the United Kingdom for the stability of agriculture, and we were told that conditions there were so much better than a few years ago. Well, I suggest to my hon. friends that instead of being so engrossed in their propaganda from overseas they should look around their own communities. Of course there have been great changes, in Canada as well as elsewhere. Compare the stability of agriculture in this country today with the position in the thirties. Compare the position of the farmer today with his position in the nineties. There has been a tremendous improvement, and that applies to most countries in the world. Everywhere there has been progress. A few years ago we heard all about Australia and New Zealand; now it is pretty well narrowed down to the United Kingdom, and they persist in spreading as much propaganda as they can with regard to things done outside our own country.

It would seem, according to our friends, that all our problems may be solved by what they used to call a planned economy, by the stroke of a pen. That was the generality; that was supposed to be the cure-all. Of course we know the C.C.F. government in Saskatchewan, which has had to face realities, now is not so keen as it was on this planned economy. As a matter of fact they are dropping their plans like hot cakes, and have got rid of most of their supposed planning experts. Our friends of the C.C.F. in this house have not had that unpleasant experience, however, so they can still play with these generalities. Last Thursday they came forward with a new slant, or what I might call a new catchword. It was referred to by the leader of the C.C.F. as "forward pricing arrangements," which I suppose is the new version of the planned economy. That is very general; I suppose it embraces practically all production, all marketing and what not. The hon. member for Selkirk (Mr. Bryce), in his usual clear and straightforward

way, gave us a definition of what was meant by that terminology. He said, at page 1051 of *Hansard*:

> I mean by that that when we breed a cow we will know how much we will get for the steer three years hence.

That is supposed to be what the hon. member's leader called a forward pricing arrangement. Other speakers referred to the same subject, and they became so enthused over their discovery that when their leader had his turn he went still further and improved on the system. He said, at page 1064 of *Hansard*:

> . . . they know what it will be four years in advance, even before the cow is bred.

If that is not a super-planning theory, I do not know what is. It just goes to show how easily our friends can be carried away.

We have before us at the moment an amendment moved by the C.C.F. group which, as far as I can understand it, asks that a formula be placed in the act. I for one will support the bill as it is. No doubt it is another step towards stabilizing agriculture in this country. It is the fulfilment of a promise that the government made. A good deal of criticism was heard to the effect that the government had not kept its promises. Here is a promise that was made which the government is attempting to keep, but which our friends are trying to prevent it from keeping, in spite of the complaints they have made.

This raises the question of the formula. I am willing to admit that there might be some good in the formula. Before supporting a formula, however, I would have to know what the formula contains. From the experience of the United States, and from our farm leaders in the Canadian Federation of Agriculture, we know that no matter what formula we adopt, that formula must be of necessity a most flexible one. It must be adaptable from time to time. That being the case, Mr. Speaker, it is hardly a formula, if it has to be changed and adapted, or if it is left to the minister to decide to what degree the formula will be applied. If we have to have a formula of that nature, I cannot see any difference between that and the policy the minister is now following. Inevitably all conditions at the time have to be taken into consideration. It would seem, therefore, just as well to leave the matter in the hands of the minister and the cabinet. They have told us what formula they are using. Even if we placed another formula in their hands, we would still have to allow them to interpret it.

Frankly, I cannot see the merit of the amendment that has been suggested to this bill. We know that this bill is welcomed by the farmers throughout Canada. As I said, it is a step forward towards greater stability in agriculture. It is a step forward in the policy of this government. For the last few years this government has continuously tried to give a greater degree of stability to agriculture. I can say without fear of contradiction, and I said it during the last election campaign at all my meetings, that I doubt if in the history of this nation farmers ever had a better friend in any government than they have in this administration. The farmers realize it, Mr. Speaker. Since trust and confidence have to be placed in someone, they are quite prepared to leave it with the present Minister of Agriculture. I should have said that, of all the ministers of agriculture this country has known, certainly no minister has done more for agriculture and the stability of agriculture than the present minister. I doubt if anyone would attempt to deny that. His reputation in that regard is certainly well known.

I quite readily admit that some of the farm organizations, individual farmers and even ourselves, might occasionally prefer to have a set formula that could be applied mathematically, so we would definitely know where we were. Everyone realizes that that is not feasible, nor is it practical. Why get involved in more red tape, if we are going to end up the same way? I can understand my good friends in the C.C.F., because they have to plan and control everything. It is to be expected that they will press for any measure that will add more and more control, more and more planning. They do not believe in free enterprise. They do not believe in this system. They believe they can do everything better than the individual can do it. I am not surprised, therefore, that they should move this amendment. I do say it contributes very little, and I certainly propose to vote against it.

Mr. A. L. Smith (Calgary West): Mr. Speaker, I should like to add a few words at this time. The member for Provencher (Mr. Jutras) has made an excellent speech, which consisted largely of telling us what a wonderful fellow the Minister of Agriculture is. I know that is true in certain things. He played a fair game of football, or soccer as we called it at one time. He has always made money out of his farm. By that, I mean he has made money by growing crops. Some farmers make money from their farms otherwise, but he is a real farmer and makes money by growing crops, and without any guarantees of the kind he now gives since he has become Minister of Agriculture.

I venture to make a suggestion which I think will be quite unpopular in the farming portion of the constituency in which I live.

I am going to say now that I am quite content for another year. That may indicate how I shall vote. I do think it is about time that this parliament ceased to be operated by pressure groups. The farm group is one of the most important, and the labour pressure group is the other group. I think it is about time that we members of parliament started to look after the consumer a little. After all, he is the fellow who pays the bills. He has no organization. He has no way of getting at us. We are met by all these other people of influence who are organized to the nth degree, and so make themselves felt.

Someone will say, of course, that having said what I have just said, I am opposed to maintaining prices in agriculture; that is not so. I am one of those who still think that agriculture is our main and sustaining industry. In the time which I have lived, I have learned from experience that when agriculture lags in income, the whole nation lags in income. I believe there is a definite connection between the two statements. New wealth, sir, comes in only one way. You first take a natural resource, in this case the land; to that land you apply capital and labour, and you get new wealth. It is obtained in no other way, irrespective of what that natural resource may be. From these resources comes every bit of our new wealth, and it is only new wealth that makes a country prosperous.

Suppose you and I come by some stocks on the market tomorrow. We may sell those stocks at a considerable profit, but we must remember that that profit would come from the man who owned them before. No new wealth would be created by those city slicker methods of getting money on the markets, or on land or on anything of that kind. Having said that, I am in favour of the maintenance of prices. The amendment says minimum prices; I think it really means ceiling prices when the thing is worked out. Having said that I cannot come back and deny my first broad statement. But I am going to say to you, sir, that the minute we take the economy of Canada and patch it here and there and elsewhere with floors and ceilings, the closer we come to the destruction of our whole economy.

Mr. Wright: How about tariffs?

Mr. Smith (Calgary West): I will tell the hon. member something about tariffs. This country was made by tariffs put on by Sir John A. Macdonald under the national policy. Tariffs made this country, and the United States was made in exactly the same way.

Mr. Wright: Why not give the farmer the same protection?

Mr. Smith (Calgary West): I am going to give you even more than that in a minute. Tariffs were the beginning of the industrial era of this country. We must always remember that tariffs were first made by any country as a means of self-protection. In those days the idea of nations getting along with one another was never agitated for or even suggested. It may seem strange for me to say this because I stand where I do. After all the tinkering we have done with markets, and since we have grown industrially, I am very much in favour of letting our products and our money take their places in the world's markets. Let us find out what our products are worth, and what our money is worth. My thinking now is all along that particular line.

I am in favour of holding the prices support act, as called for in the bill. I think that if we quit playing with our economy, if we quit this patchwork business, and let our goods find their own level in world markets, the better it will be for Canada. I do not mean world markets of the kind we have established recently, for example, in coarse grains. I know that what I say now will be very unpopular with all those pools and farm organizations in western Canada, which have been operated on a basis of hatred for the Winnipeg grain exchange, hatred, selfishness—

Mr. Ferrie: Speak for yourself.

Mr. Smith (Calgary West): Speak for myself! I am speaking for myself, and if you are capable of speaking for yourself you will have plenty of opportunity tomorrow.

So long as greed and fear are motivating factors in human conduct—and in my judgment they are, and I think they always will be—requests will be made for special legislation. But it is time the dominion parliament and government stopped being a "gimme" organization every time we are approached by any group of our population who are seeking a handout here and there.

Why should we tie our prices in this agricultural matter to 1944-48? The answer is that it certainly suits the producers of farm products, because it was in that period that, if we did not reach the peak, we reached a very high level. You may think, sir, that I have been arguing against this legislation, but I come back to say this. I support the idea of the extension of the Agricultural Prices Support Act. But I say at the moment I am not prepared to commit myself to having this parliament saying about one product, or one related series of products, that we shall maintain a certain level. True the amendment saves itself by saying that the relationship shall be preserved. I am one of those who hope that it will be preserved. I am one of

those who know that in the country from which I come the farmers for a long time have had the short end of the stick. In other words, there was not any proper relationship between the prices they got for that which they produced and the prices they paid for that which they bought. I know that is a good slogan, but I wonder just how much it means. We say that in producing grain we get so much a bushel. Then we are told that the price of a binder or a combine in these modern days has been going up and up. But I have never had anyone yet tell me how many bushels of grain a binder will cut. I have never had anyone tell me how many bushels of grain a combine will cut and thresh. Until we look at the thing in that way we cannot make a comparison. We cannot just take the percentage of the rise in price, because we sell grain and produce every year. We buy a binder once every ten years and a combine in roughly the same time. Therefore in our thinking about these matters we must average the increase in the price of a farm implement over the period of time, and over the produce that it will process, if that is the proper word to use.

You may ask me, sir, where does the member for Calgary West stand on this thing. I am going to say that the principle of the relationship in our prices is more than a pious hope. It is something which is interrelated, very sound. We know that the farmer has got the worst of it in times gone by.

I now come back to the remark made by the hon. member for Melfort (Mr. Wright). I say to him that there is something in his question to me about tariffs. Tariffs are of two kinds. As a matter of fact they were put on for the protection of Canadian industry. Just suppose I made tin dippers over here—I know this is beneath his dignity—and suppose the Minister of Trade and Commerce (Mr. Howe) made tin dippers over there, the gangway being the boundary between the two countries. A protective tariff was one which permitted me, and only permitted me, to be able to sell my tin dippers at the same price that he sold his, which were produced at a smaller cost because he had a tremendous marketing area compared with my small one. I think, sir, that those days have gone by. I refer to one particular company, the Massey-Harris Company. I remember years ago we had to protect Canadian implement companies; but today the Massey-Harris Company is one of the greatest sellers of farm implements in the United States of America. We all know that they practically saved American crops some two or three years ago by putting in their combines down near the gulf, working north and thereby practically saving the crop.

[Mr. Smith (Calgary West).]

My point is this: I think our industry—and I am saying this in answer to what my hon. friend asked—I think our industry in many lines has achieved a place where it does not need governmental protection from anybody. I will go a little further and say that those people who cannot operate without protection should first look to their own internal economy, their own costs, so that they do not need the cushion of a tariff.

Free trade, you say? No. I realize there are many conditions entering into this. If your labour costs in an exporting country—and we import into this one—are away below those of our workmen, then certainly you have to have a tariff. Why? Not to protect the workmen as such, but to protect the great numbers of our population who are engaged in working, perhaps not in that industry, but in one way or another. Our duty here, obviously, is to do the greatest good for the greatest number of people within our dominion. I think the amendment is wrong in endeavouring to tie the Canadian economy whose fluctuations are many, and some of them very quick indeed—I think it is wrong to endeavour to tie that economy to a given area, 1944 to 1948, without regard to the many things which may and easily can happen.

So, Mr. Speaker, I intend to vote for the amendment, because it is an advocacy of the principle of tying our agricultural economy to the rest of our industrial economy. And by that I mean this, that I think it is perfectly true that the farmers get too little of the income of Canada. That did increase—and in this particular period it almost reached parity, or in any event reached a point which was the nearest our farmers had ever come to it.

In view of that fact I am going to vote for the amendment. I do not like the 1944 to 1948 period or any other period being fixed as a yardstick; because we can find from the bureau of statistics in any year what proportion of the income those persons who were engaged in agriculture, having regard to the population, got, as compared with those persons who were otherwise engaged. So I am going to vote for the amendment in affirmation of the principle of a proper relationship between the economy of the farm and the rest of our economy—and for no other reason.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, it is not my purpose to comment on the amendment, but I have a few observations to make concerning the bill itself. Before proceeding with that, however, I think I should refer to one remark by the hon. member for Calgary West (Mr. Smith) in that surprising speech of his. Apparently he

failed to see that when tariffs were put on they put a ceiling under prices of all protected goods. Call it a floor, if you like. They put a floor under all protected goods, when a tariff was put on. Yet he was opposing the idea of a floor. Probably in the quiet of his room he will figure that out.

We are living in a world in which men work together in giant combinations. The hon. member for Calgary West appeared to be objecting to having the farmers combine together—the farmers, who are the least protected of all the producers in our economy—to protect themselves against giant combinations of men far more powerful than they are. To me that was a matter of some astonishment.

Then, I should like to turn for a moment to the hon. member for Provencher (Mr. Jutras).

Mr. Smith (Calgary West): Would the hon. member permit a question?

Mr. Blackmore: A dozen, if the hon. member would like to ask them.

Mr. Smith (Calgary West): I will not ask the hon. member to be that generous, because if I asked a dozen he would have to stop speaking. I shall ask only one. Perhaps I did not hear the hon. member correctly, but I thought I heard him say that I objected to farmers getting their fair share of the national income.

Mr. Blackmore: No, I did not say that. But I do not wonder the hon. member could not hear what I said, because as soon as I began to speak, twenty-five or so members of the House of Commons seemed to think that was the signal for them to start talking among themselves.

What I said was this: I pointed out—and I wish to be fair to the hon. member—that he seemed to object to having farmers have a floor under their prices.

Mr. Smith (Calgary West): No.

Mr. Blackmore: But he failed to see that when tariffs are put on it automatically puts a floor under the price of every article that is protected by those tariffs.

Mr. Smith (Calgary West): Does the hon. member wish me to answer? Perhaps I should not.

Mr. Blackmore: If you wish.

Mr. Smith (Calgary West): Perhaps I will have eleven other chances; but when I use dice they have both the seven and the eleven. I prefer to play it that way.

The point I am trying to make is this: I never consciously made any such suggestion, that I do not believe in floor prices for agriculture. As I said, I believe agriculture is our basic industry and our greatest industry, and I would prefer to let other products relate themselves to the prices of agriculture, rather than have us start on a tariff basis by basing our farm position on those other products. I believe agriculture is the basic industry of this country, and everything should relate itself to it.

Mr. Blackmore: Well, I am very glad the hon. member for Calgary West was given the opportunity to put himself right, because he certainly had put himself wrong.

May I turn to the hon. member for Provencher. If I recall correctly—and I cannot be sure that I did understand him properly—he said that ICCH would result in a lowering of prices in all the contributing nations. Did I understand the hon. member correctly?

Mr. Jutras: Yes.

Mr. Blackmore: Well, I can understand why the hon. member would say that, if ICCH is to be supported with money taken from the people by taxation. But if ICCH were supported by money created by the state—

Some hon. Members: Oh, oh.

Mr. Blackmore: Never mind laughing. Let us remember that, when the hon. member for Provencher laughs at that, he confesses he does not know anything about what to do in a situation concerning which something has to be done.

There is my question. The nations today have not the slightest idea how to distribute the abundance of the Americas among the needy areas of Japan, Siam, Malaya and the other suffering countries. They have not any idea of how to do it. And because the United States does not understand how to do it, I understand that country is going to limit the number of acres in production this year to the extent of 30 million acres. That means that she is not going to produce on 30 million acres of land right at a time when there are over a billion people in the world starving for the production of those 30 million acres.

Mr. Jutras: The hon. member says that the United States and Canada and all the other democracies have no solution, but they have a good solution. In fact, I think they have a solution to the problem which will be implemented in the relatively near future. I propose to deal with that at some length when we take up the estimates of the Department of Trade and Commerce.

Mr. Blackmore: We always hear of what is going to be done, but we never do see the start of it. The best evidence I can think of to show that the United States and Canada do

not know what to do is this resolution proposed in the United States to reduce her production by 30 million acres next year. Imagine the richest nation on the face of the earth with $4,000 million worth of agricultural products on hand not going to produce on 30 million acres of land when there are over a billion people starving!

Mr. Gardiner: They are not going to do any such thing.

Mr. Blackmore: That is what is reported in the latest news.

Mr. Gardiner: No it is not.

Mr. Blackmore: I did not come down prepared to speak on that, but I have plenty of evidence to satisfy the minister.

Mr. Gardiner: They are going to stop producing grain because if they do not the soil will all blow away. However, they are going to produce grass and cattle instead.

Mr. Blackmore: We shall have to discuss that later on.

Some hon. Members: Oh, oh.

Mr. Blackmore: Do hon. members imagine that I cannot do it now?

An hon. Member: We are pulling up apple trees.

Mr. Blackmore: You are pulling up apple trees and you do not know what to do with the fruit production of British Columbia.

Mr. Hatfield: Giving it away.

Mr. Blackmore: You are destroying the incentive to produce hogs. You are worrying constantly about surpluses. That means that you do not know how to get those surpluses to the nations where they are needed. You do not need any more proof than that; it is right there.

An hon. Member: They never thought of that.

Mr. Blackmore: I suggest that members of parliament ought to be more responsible. They are here to find a solution for these problems and until we put our minds to it we will never find it. If money were created representing the surplus goods within the nation and turned into the ICCH fund with which to market the goods abroad, then the goods could be marketed abroad even in the soft currency countries without any additional tax or burden on the nation sending the goods abroad. That is just plain common sense. I know that people shake their heads because they do not understand it, but that is no sign that it cannot be understood. I taught school 21 years and I had many students who did not understand the binomial theorem, but it was capable of being understood. If you would only stop talking and think you could learn a lot more.

The ICCH can be made an effective instrument in distributing goods abroad. Any one who has given any thought to the FAO and the ICCH realizes that they offer the solution. Then we are met with the argument put forward by the hon. member for Provencher (Mr. Jutras) who says that it cannot be done. His contention is in effect that we have to cease producing. The position of the United States today is that she has $4,000 million worth of goods and she does not know what to do with them. Let the hon. member for Provencher think that over. Knowing the circumstances, yet he persists in his attitude toward debt-free money created by the state to represent the surplus goods within the state. Until he realizes the possibilities of such debt-free money he is utterly useless to help guide this generation out of its troubles.

I should like to say a word or two about the bill. The right hon. Minister of Agriculture (Mr. Gardiner) was out west recently warning the people of Alberta and the west to discontinue sending their cattle to the United States in such numbers. He told the people in High River and elsewhere that they were going too far. The minister is reported in a Canadian Press dispatch in the Lethbridge *Herald* as saying:

> I cannot agree that you were justified in getting down to the usual number of breeding stock.

I have a high degree of respect for the right hon. minister but may I say to him that I have been a stock producer ever since I was old enough to get on a horse. I know what it is to handle cattle. I am thinking now the way the ordinary stock man is thinking when he hears what the minister says. He is saying, "Now, then, Mr. Minister, I wonder if you are prepared to give us a guarantee that two years from now we will be getting a price that will pay us? What guarantee are you prepared to give us? If you are not prepared to give us a guarantee of a profitable price and a market two years from today, surely it ill becomes you to come out here and tell us not to get rid of our breeding stock."

Men who lived during the days of 1918 and 1919 know what can happen. Many of us went through experiences that made us sweat blood. I well recall July, 1919, when you could sell beef-breeding animals at good prices. I recall my brother selling our herd of breeding stock, cows, calves and everything at $83 per head. Then we went through to the spring with a certain number of others and the price we got for those would not pay

for one-half the hay we had put into the cattle during the year. Scores and scores of men who had produced beef cattle, many for as long as 25 years, were ruined utterly and have never recovered.

I am speaking on behalf of the beef producers. My constituency produces lots of good beef. What evidence have we that two years from today the bottom will not drop completely out of the prices of beef cattle? There is no evidence at all.

Mr. Gardiner: You have had five years' experience.

Mr. Blackmore: We had a good many years' experience before 1919.

Mr. Gardiner: Just one year after the war.

Mr. Blackmore: We had a good deal of experience before 1919. Prices kept going down until in 1932 one of my brothers who was handling our stock industry told me that our balance on the year's operations showed that we were $5 worse off for every cow we had on the range. When you counted the cost of breeding, the cost of vaccination for everything like septicemia and all the other things, the cost of raising the calves and so on we were $5 worse off for every cow we had on the range. We are lucky it was not worse. These illustrations are sufficient to show the kind of thing that beef producers face. I do not blame the minister for saying what he said, but may I suggest that if he wants western beef producers to keep their breeding stock he had better give some sort of guarantee of a floor price for the beef and of a market for it. That is all it takes.

The same thing is true of hogs. I think the minister referred to the hog situation, and he said it was very similar to that of beef. All that men need is some sort of guarantee that the price of hogs is not going to go down below a certain level. They will produce the hogs, and plenty of them. It was estimated the other day by one of the periodicals in my constituency that we are not producing one hog now where we were producing six only a very few years ago. There is a reason for that. It is the fact that the men who would be producing hogs have completely lost confidence in the Department of Agriculture. They do not believe they will be protected in the matter of the price for their hogs and the cost of the goods entering into the production thereof. If we want hogs let us guarantee a floor price and a market, and we shall get hogs in abundance.

Mr. Gardiner: We have had five years' experience of that too.

Mr. Blackmore: We have had five bitter years.

Mr. Gardiner: The price went up every year.

Mr. Blackmore: Yes, the price went up, but it is a different story when you come to the cost of the things entering into the production of the hog. It is easy enough to look at the price of the hog, but when you look at the price of the barley and the other things entering into the production of the hog you find the bliss has a string tied to it.

According to the press the minister has just advocated that we reduce our wheat acreage by three million acres. I think that is a sound idea. He suggests that we produce oats and barley instead of wheat, and I think that is a sound idea, but it will not do much good to produce oats and barley if we are not sure of a good market for the hogs and cattle we produce with the oats and barley. Once more the soundness or unsoundness of the proposal depends upon prices and markets. I take quite a different view from the hon. member for Calgary West (Mr. Smith). Bless his heart, I do not believe he has ever had anything to do with the producing of real wealth in his life. I do not think he knows anything at all about what it costs to produce hogs, cattle, milk, cream, butter, eggs, or any of these things. He has stayed in town and probably lived on the cream of it all.

I say the time has come when farmers as the producers of the fundamental values of the nation must be protected against the attacks of well organized men who would destroy them if they had the chance. As the minister will argue—and correctly—the act is designed to give the farmer that sort of protection, and because it is so designed I support the minister in introducing the bill.

So far as I can see, there is no reason why there should not be a guarantee given for prices and markets in connection with all kinds of meats. I find in the October report of IFAP—I find it difficult to remember all these fantastic letter names—that there is not going to be any danger of a surplus of meats in the world so far as they can see. Here is the quotation on page 2 of the October issue:

> There is no serious prospect of surplus either in hard or soft currency areas for a number of commodities, e.g., meats other than pork.

They do not seem to be quite as hopeful about pork as they do about other meats, but I read that to indicate that we do not need to be afraid to encourage the production of meats if we are prepared to be wise in protecting the farmers' prices and markets.

As several members have already said, our greatest market is the home market in

Canada. We have not begun yet to use our home market. I suppose there are millions of people in Canada who are not in a position to have the beef they would like to eat, and a good many other fine things that the farmers are prepared to produce. These potential consumers in Canada can all be made actual consumers, the potential home market can be made an actual effective market, if wise measures are adopted in respect of the Canadian economy. These wise measures will be monetary. Later on I expect to quote the statement of the Minister of Agriculture (Mr. Gardiner) to the effect that our troubles are monetary. The trouble with the home market, like all markets in so far as they obtain for Canada, is a lack of appropriate monetary measures.

As to foreign markets, what is the trouble there? The minister himself has made the statement quite definitely that the trouble with our foreign markets is a lack of correct monetary measures. There is something wrong with the money. I think I will quote the passage in which the minister wisely made that statement. In a speech which he made before the food and agricultural organization at Washington on November 25, 1949, he said:

> Our monetary difficulties today threaten to reproduce the situation which existed twenty years ago, a lack of that free movement of food from those with food to spare to those in want.

That is perfectly correct.

> Unless some way can be found of solving this problem, we cannot hope for that "all-out" effort by exporting countries that is needed, if the people of the whole world are to be adequately fed.

The minister there speaks just as though he were becoming a Social Crediter, as if he were beginning to see the vision of Social Credit which would be the greatest honour that the minister has had conferred on him in his life, because he would then be able to see the way out of our difficulties.

It is one thing to say there are difficulties. I am glad that the Minister of Finance (Mr. Abbott) is in the house now and a bit merry because of what I have just said. It is one thing to say there are monetary difficulties and it is another thing to tell what to do to remove them. The problem confronting the Minister of Finance and the other members of the government is what to do about these monetary difficulties. Up to the present time there has not been a word from them to indicate that they know what to do.

I should like to deal for a minute or two with the matter of ICCH inasmuch as the hon. member for Provencher has brought it up in the debate. I can imagine that a great many people in the country would like to know something about what it is. I should like to quote certain passages from this IFAP periodical of October to give the people who will be reading *Hansard* an idea of what ICCH is. On page 3 I find the following:

> ICCH should be constituted as a public corporation with a capital fund equivalent to $5 billion. National quotas in this capital fund should be based on the national incomes of the member countries and be payable in the currency of the subscribing country. Twenty per cent of each country's quota should be payable on joining ICCH for the general fund of ICCH (referred to as the "free" capital or "revolving fund" of ICCH). The remainder of a country's subscription would be callable by the board on consent of the country concerned and earmarked, when subscribed, for the purchase of surplus commodities in that country. The ICCH should be empowered to accept subscriptions in convertible currencies from any country, in addition to its authorized quota, for the purchase of surpluses of the contributing country. All receipts and outgoings from transactions arising from original earmarked capital or added contributions, as distinct from "free" capital, should be held in a special account for the contributing country. Replenishment of capital, when needed, would be dependent upon additional subscriptions of capital by member countries burdened with surpluses.

Further down that page we have two other paragraphs which, taken with the one I just read, I think will give anyone a fairly good picture of the objective in view and the means by which it is proposed to attain that objective:

> (1) The exporting country would sell surplus wheat to ICCH at full market price and the purchase would be financed by the exporter contributing the value of the wheat to ICCH as additional capital. ICCH would then sell quantities of wheat to the importing country in addition to and not as a substitution for its usual purchases. ICCH would take in payment the currency of the importing country, even if it were at the time inconvertible. The importing country would guarantee against loss by currency devaluation. ICCH would hold this currency to the credit of the exporting country until enlarged trade or restored currency convertibility permitted clearing the account.
>
> (2) The exporter would sell surplus wheat to ICCH at a reduced price if the payment were in an immediately acceptable (presumably convertible) currency and provided that the quantity of wheat went to some special use in addition to regular consumption by the importing country. Such transactions would be financed from the revolving fund of ICCH established by the initially paid-in 20 per cent of capital, but would not normally involve any loss to ICCH.

I imagine practically everyone realizes, as I am sure the Minister of Agriculture must realize, that this proposal would be far too costly for the nations to participate in if the money required to finance it had to be taken from the people of those countries by means of taxation or by adding to their national debts. But if a contributing country were able to create debt-free money against the surpluses within its borders and make a contribution of that created money, the situation would be very different. It has been

suggested—and perhaps this is the suggestion the hon. member for Provencher (Mr. Jutras) has in mind, which he is keeping such a secret—that an ordinary nation like Canada, in order to finance the sale of its surpluses in soft currency countries, or countries lacking United States or Canadian dollars, would raise the money itself to pay for the goods it was going to sell abroad on credit, and would itself buy the goods and send them abroad, thereby eliminating the need to use the international organization. I do not think I would have any objection to that, except this; that if the nation had to raise the money through taxation of its people to provide a fund with which to buy surpluses of goods in order to give them away, which is practically what it amounts to, that nation would soon find the burden utterly insupportable, and would resort to a limiting of production rather than go to the expense of buying its surpluses and sending them abroad.

This brings us to the feasibility or otherwise of the creation of debt-free money. I do not propose to enter upon a discussion of that matter this evening. I have discussed it already in considerable detail in speeches in this house on March 16 and February 21 of this year, and October 25 of last year. I believe the arguments I advanced on those occasions would justify anyone in giving pretty careful thought to the feasibility of the proposal to create debt-free money within a nation to the extent of the surplus goods to be found available for sale. I submit once more that unless this government and the government of the United States resort to some such device they are going to find their agricultural problem completely bewildering, as the United States is finding its agricultural problem today. Already in the United States there has been talk about the dumping of their products upon the markets of the world at low prices. If any action is taken along that line it will more and more destroy our chances of selling our goods, and will generally demoralize the markets of the world.

This indicates the sort of problems which confront us. We simply cannot solve those problems by laughing at any new ideas that come along. In the five years mentioned by the minister—yes, in the last fifty years—we have pretty well proved that the problem cannot be solved by any methods followed by the government so far. If Canada would create debt-free money, which it would be possible for her to create against the surpluses she could easily have, then we would be able to accept sterling in payment for our goods sold to Britain. Or we would be able to accept any other soft currency, with which we could shop around and obtain many of the things we need. We would be able to store our surpluses and have something on hand in case of trouble. We would be able to finance barter arrangements, such as apparently were envisaged by the Minister of Fisheries (Mr. Mayhew) the other day in that forward-looking speech of his.

The only limiting factor would be our productive capacity, together with our ability to become self-sufficient. Just being able to produce one or two commodities would not be enough. We should have to become more and more self-sufficient so our money would have a sound base, and then we would have no difficulty in creating debt-free money and putting it into circulation. Granted those two considerations, sufficient production from our abundant resources and a sufficient variety of production, we could do a great many things with debt-free money which to the orthodox financial mind appear utter impossibilities. Then we would be able to make ours a really expanding economy, rather than the restricted economy it is rapidly becoming.

Mr. J. A. Ross (Souris): Mr. Speaker, I wish to say a word on this measure in view of some of the statements made in the debate thus far. The Minister of Agriculture (Mr. Gardiner) said every farmer realized that he was better off now than ever before. In my opinion that is not a fact. The hon. member for The Battlefords (Mr. Bater) has told us what a great job the members of this government have been doing and how well off our farmers are. Then I listened to the hon. member for Provencher (Mr. Jutras) this afternoon suggesting, if I understood him correctly, that we should concentrate on the United States market rather than the United Kingdom market. Certainly I am one of those who have always been in favour of the United States market, but the sad position is that the farmers of the United States invariably have the very same type of surpluses we have, and that makes things rather difficult.

Every year since I have been here I have stated that never since confederation have the farmers of this country received their proper share of the national income. They have never done so up to date. If my memory serves me correctly, according to the figures put out by this government, during the first world war the agriculturists of Canada received approximately 29 per cent of the national income. During the recent world war they received approximately 18 per cent of the national income.

We have been discussing markets of recent years, and current markets. According to the Sanford Evans statistical bureau, which is

very reliable, a detailed survey for the first full calendar year following the war, 1946, reveals that our farmers in Canada suffered a loss of $378 million, over and above the great loss they had taken in the marketing of wheat. This is for livestock and coarse grains alone. This is a gigantic sum. When you have listened to the discussion today on the matter of tariffs and what not, when you take this amount of $378 million over and above the hundreds of millions of dollars lost in the marketing of wheat, it makes the great losses our western farmers have suffered because of tariffs look like peanuts.

In considering the matter of a formula, I have always advocated, since this act was brought into being, some formula based to some extent on parity; that is, a basis related to what it costs a farmer to produce these commodities. I believe that is a reasonable request. The farmer has not been receiving that. I have given you the figures for the full year of 1946, in which the farmer lost that great amount of money in comparison with what his neighbours in the United States received for marketing the same quantity of commodities. I believe we should bear that in mind. As I say, I followed the member for Provencher, but if I understood his argument it was not in agreement with a pamphlet put out by the Minister of Trade and Commerce (Mr. Howe). It is entitled "Foreign Trade" and is dated December 10, 1949. It states:

> During recent years, as much as 44 per cent of our farm production has entered export trade. To take wheat again, as an example, about 75 per cent of our production has been sold abroad.

I realize that although some hon. members made their entire speech on wheat, it does not come under this act. Other farm production, however, is tied to the price of wheat; you cannot get away from that. These are rather startling figures. If we lose that export trade, then our farm people will not enjoy prosperity. I have never known a time in any nation, when agriculture was not prosperous, that anyone else in that nation was prosperous. I do not think you can get away from that. It is very important.

I was pointing out that it is quite important that the farm producer should receive prices which will compensate him for the cost of production. I have an interesting article before me, an editorial which appeared in the Winnipeg *Free Press* on March 20. It is entitled "It's Cheaper in Minneapolis." It reads as follows:

> Here in Winnipeg comparable cars cost approximately 20 per cent more than in Minneapolis. Refrigerator, range, vacuum cleaners, radio, and washing machine cost is 30 per cent more. In part this is traceable to the depreciated value of the Canadian dollar—90 cents in terms of U.S. currency—in great part however, it is due to the Canadian tariff and various Canadian taxes.

The article goes on to point out:

> It is also possible because in all cases the articles chosen for comparison were articles produced by the same companies either in the United States or in branch plants in this country. All must pay the 10 per cent premium either for the whole article or for the imported components which go into the Canadian-produced goods.
>
> To this there is one exception—electric ranges, the standards for which differ in Canada and the United States but do not materially affect costs.

The article points out that these two central points, Minneapolis and Winnipeg, are in the centre of the two nations, about the same distance from the great manufacturing centres. In the case of a Ford automobile—I suppose some people think our farmers are not entitled to an automobile—the price in Winnipeg is $2,037, and in Minneapolis it is $1,597. There is a like comparison in trucks, which are essential on farms today. In automotive parts, an eight-cylinder assembly for a Ford costs $255 in Winnipeg, and $231 in Minneapolis. An RCA Victor eight-tube radio phonograph costs $289 in Winnipeg, and $150 in Minneapolis. A certain type of electric range costs $369 in Winnipeg, and $244 in Minneapolis. There are many other articles listed on which similar comparisons are made.

On the following day, March 21, another article appeared on the editorial page of the Winnipeg *Free Press* comparing these prices. It is entitled "You pay more in Winnipeg." This article deals with electrical goods. It points out that electric clocks cost 40 per cent more in Canada than the same articles in Minneapolis. Glassware, clothing and other articles are also compared. It points out that the tariff is somewhat responsible for this condition of affairs. I do not believe there was ever a time since confederation when certain of these industries had greater protection than they have today, in these controls, taxes and embargoes applied by this government. All this adds to the cost of the agricultural producer of this country, and to the cost of living of every consumer of this country. There is no argument whatever about that. During a debate the other day, I placed on *Hansard* a set of figures which had to do with agricultural products in their raw state, and a comparison of the prices at St. Paul, Winnipeg and Minneapolis of the manufactured article. In the majority of cases the prices for the raw materials were considerably higher in Minneapolis than in Winnipeg, but when one came to purchase the processed article the prices were reversed, and were higher in Winnipeg than in Minneapolis. In many cases the cost of living in Minneapolis

is cheaper than in Winnipeg. I believe that is proof that there is something radically wrong with our set-up in this country.

I am not unmindful of the fact that, I believe it was two years ago, a cost of living inquiry was conducted. It cost the taxpayers of this country a large sum of money, and proved nothing. Many members of this house spent a lot of time on that committee, but the outcome was a farce. Nothing was proven, despite the great cost of that committee. I just wanted to point out how unfairly the farmer has been treated by the government of the day. I have given the house a set of figures covering the cost of articles, which I think are essential on any farm, and which affect the consumers of this country as well. Neither the farm producer nor the Canadian consumer has been fairly dealt with by this government up to date. I think it is essential that we pass this type of legislation.

The ex-prime minister, in statements in 1943 and in the years following that, and the Minister of Agriculture as well, have made statements that, in view of the fact the agricultural producer in Canada was not receiving for his commodities prices comparable to those received in other countries, this situation should be taken into account in the years following the war. It is true that some articles bring fair prices today. I do think it is essential that a formula of some nature be written into this act, whereby the farm producer would have some idea, before the production period, of the basis upon which he would be paid during that production year. I believe that is very important. It is not only important to the farm producer, but it is also important to the consumer of this country.

Mr. J. S. Sinnott (Springfield): I know the house is anxious to have this bill passed, but I think we have an opportunity here which we should not pass by. The Liberal government has more municipal men with practical experience in its ranks today than it has ever had before. The time was never more opportune for every one of the Liberal members to join hands and see that the farmers get a fair deal.

I listened with much attention to that great orator from Calgary West when he spoke tonight.

Mr. Smith (Calgary West): This is a stage entrance.

Mr. Sinnott: Lo and behold, here he comes!

Mr. Knowles: Never misses a cue.

Mr. Sinnott: He is one of those men who are experts on everything that goes on in the house. I must compliment him on his fine flow of speech. It reminds me of some of the gas wells that they have in Alberta. But after he has finished and you boil it all down it is just an amalgamation of words, and some of them big ones.

Mr. Smith (Calgary West): That is what a sentence is. You will find out one of these times.

Mr. Sinnott: We have been waiting for a long time to find that out.

Mr. Smith (Calgary West): How true that is.

Mr. Sinnott: I have heard him speak so long and say so little in this house—

Mr. Smith (Calgary West): Now you are being brutal.

Mr. Sinnott: Too much emphasis has been put on the suggestion that the farmers have been getting too much for their products.

Mr. Drew: Who said that?

Mr. Ross (Souris): Whom is the hon. member quoting?

Mr. Sinnott: There is a big difference between what the farmer is getting and what the consumer pays. It is time that the consumers formed an organization to bring prices down. Last January I was on a farm in Saskatchewan and saw a 60-dozen crate of eggs. They graded 75 per cent A large, and they averaged out at 25 cents a dozen. Look at what the consumer has to pay for them in the store. There is a great difference. Would you say that the farmers are getting too much money for their eggs when they average out at 25 cents a dozen?

Mr. Smith (Calgary West): No.

Mr. Ross (Souris): You are insulting the poor hen.

Mr. Sinnott: I have heard the hon. member for Calgary West say that he would rather starve than go back to the farm. That statement was made here.

Mr. Sinclair: He probably would, anyhow.

Mr. Sinnott: Has anybody heard of lawyers having a floor under their tariff, or a ceiling over it? They get all the traffic will bear.

Mr. Cruickshank: And they use margarine, too.

Mr. Sinnott: That is why we should give the farmer the fair deal.

I am in agreement with what some of the speakers have said here tonight as to a long period of time. I maintain that when a government is elected for five years it should proclaim a five-year program.

Mr. Cardiff: Right.

Mr. Sinnott: Back in 1919 and 1920 cattle were selling at a fair price. In 1919 and 1920 steers on my farm were selling for $50 after being fed for a whole winter. In 1921 the same steer sold for $33. That is why the hon. member for Lethbridge (Mr. Blackmore) pointed out that the farmers should know in advance what they are going to get for their produce. If we knew that, we would produce the stuff; there is no doubt about that. They are not going to produce pork, beef or anything else if they know they are in for a drop in price in the next year or two, because after all it takes three years to produce a good steer, and we want to be steered the right way.

Some hon. Members: Oh, oh.

Mr. Smith (Calgary West): Even a steer can try.

Mr. Sinnott: It is all very well to say that the farmers are looking for protection. Tonight the hon. member for Souris (Mr. Ross) stole quite a bit of my thunder. He read from a Winnipeg paper of March 20—and, I may say, it is a good Liberal paper.

Mr. Ross (Souris): Which one?

Mr. Sinnott: The hon. member quoted from the *Free Press* tonight. It points out where there is protection. In Winnipeg washing machines sell for $249.50; in Minneapolis they sell for $189.95. In Winnipeg Arrow shirts sell for $4.75 and in Minneapolis for $3.95. I suppose the men in Winnipeg are entitled to the same kind of shirt as they buy in Minneapolis. We have heard the remark, "he pretty near lost his shirt". Sometimes they do. Manufacturers obtain tariffs and preference for a number of years, but they never have to contend with the conditions that the farmers are up against. Farmers have a hundred and one things to contend with. They have to contend with grasshoppers, drought, army worms—

Mr. Cruickshank: And the Tory party.

Mr. Sinnott: For instance, this year I saw crops that produced 40 to 50 bushels to the acre, already swathed, all ready for the binder, and the next day they were covered with two feet of water. Was that any fault of the farmer? The farmers have these things to contend with. Therefore I say that every hon. member who has anything to do with farmers should get up and say his piece.

While I support this bill I still say to the Minister of Agriculture that he should have a five-year program.

Mr. William Bryce (Selkirk): Mr. Speaker, I said at the beginning, when the minister introduced the resolution preceding this bill, that I was going to support it, and I have not changed my mind since. One thing that has worried me a great deal is that the prices that have been guaranteed to the farmer are all packers' prices. The price is not set for the farmer at all. The packer is getting the 32½ cents that we hear about in the house. One hon. gentleman brought up the matter of the price of eggs. The farmer was getting 18 cents, 20 cents and 25 cents; whereas the packer or the wholesaler is guaranteed a floor price of 38 cents, and that price comes into effect after they have left the possession of the farmer. That kind of legislation is not protecting the farmer; it is protecting the middleman, and that is what I object to.

The Minister of Agriculture has pointed the way. I do not know whether the farmers of Canada will follow it. He says that if they are not satisfied they should find markets for their own produce. It should be easy for us farmers in any part of Canada to set up co-operative organizations, and follow the produce to its logical end, namely, the consumer. As I see it, that is the only solution to the problem. I do not care what good intentions the Minister of Agriculture or the government has to give the farmer a square deal. If these prices are all set at wholesale levels after the products have left the farmer, then the farmer is still at the mercy of the rank and file who wish to buy.

I am supporting this amendment for the simple reason that it improves the minister's bill. My good friend from Brant-Wentworth (Mr. Charlton) tells us that there are too many controls in it. The only time we have ever had prosperity in this country was when we had controls on farm produce. That was during the first world war and the second world war, and during the time of controls since. Those were the most prosperous times Canada ever had, so far as the Canadian farmer getting his fair share of the national income is concerned.

So I am surprised to hear a sensible member like the hon. member for Brant-Wentworth speak that way about controls. I have just come back from Great Britain, and they have all kinds of controls over there.

An hon. Member: Do they like them?

Mr. Bryce: Yes, they glory in them. Indeed, they are so good that the Conservative candidates and the Liberal candidates said, "If you will only vote for us, we will keep them in operation." Every party agreed to that. There was no plank in either the Conservative or the Liberal platform over there that proposed to take one of those controls off. May I say to hon. members sitting to my right that it was a Conservative government that

brought in controls. They were brought in in connection with the milk board. But they made it a control such as some we have dilly-dallied with in Canada; they never put any teeth in it. Then, after they saw it would not work, they made it compulsory.

I know the Minister of Agriculture (Mr. Gardiner) will agree with me that controls over there are doing a first-class job. Where there used to be five or six trucks going down the road to pick up milk, only one truck goes now. Where a farmer was trucking to Glasgow with his wilk, he now sends it to the local creamery. Everybody gets the same price; everybody knows what he is going to get. A person does not need to wait and see; he knows what he will get.

That is a good thing. My hon. friend from Brant-Wentworth really surprises me. Here is what a former prime minister was going to do for the people, when he brought in the marketing act. I am referring to page 2475 of *Hansard* for 1934. Section 14 of that act said this:

> Every person who fails to comply with any order or determination of the board or of a local board or any regulation of the governor in council shall be guilty of an offence and punishable on summary conviction with a fine of not less than twenty-five dollars and not more than five hundred dollars, or to imprisonment not exceeding three months, or to both fine and imprisonment.

Nothing like that is being done in this bill. We are doing something for the good of the farmers. It will be recalled that it was the Right Hon. R. B. Bennett who introduced the marketing legislation to which I have just referred. There is compulsion there, all right.

I believe the Canadian Bar Association has more representatives in the House of Commons than has any other group. Yet they are the first to rise in their places and tell us about the farmers losing their freedom. They say the farmer will have no freedom left. Let me say there is no organization today that has greater control over its members than has that bar association. They say whether a person may practise, where he will practise, and how long he will practise. It is the finest closed shop in Canada today.

I shall not speak at greater length respecting the bar association, because there are other members who will wish to speak in this debate. Here we have controls. Whenever a farmer rises in the House of Commons and tries to assert himself, tries to handle his produce and get all he can for it, we hear this hue and cry that his freedom is being taken away—"Let us go back to the old days, when the farmer was the first man to cut his own throat."

I have said enough about hog prices; I do not want to go into that again. But if we had guaranteed forward prices it would be of great advantage to the Canadian farmer. When he spoke this evening the hon. member for Provencher (Mr. Jutras) took me to task. He said that in my remarks about forward prices I had gone so far as to say that when the cow was bred one knew what he was going to get for the steer. He also took to task the leader of this group, the hon. member for Rosetown-Biggar (Mr. Coldwell), for saying that before a cow was bred one knew what he was going to get for the calf. There are none so blind as those who will not see. I can assure my hon. friend that that is a common thing. In Great Britain today one knows what he will get for his steers. Perhaps I should qualify that by saying that one knows he will not have to take less than a certain price quoted three or four years hence. So my hon. friend does not need to laugh at or to ridicule me for saying that that is an actual fact.

Over there they know what they are going to do. In that way one knows where he is going, and what he will get at the end of the road. But the way we have been going, we do not know where we are heading. The Minister of Agriculture is worried about so many people producing wheat today. Why are they producing wheat? They are producing it because they know what they are going to get at the end of so many years' time. They did not know before, but they know now. If he tells them what he will pay for hogs or eggs, then I am sure we will find use for the extra oats and barley he is asking them to grow.

I do not wish to take up more time, because my views are fairly well known in the House of Commons. There is only one thing further on which I should like to straighten out the hon. member for Provencher. When he was referring to exports to the United Kingdom he said they were up 2·6 per cent in volume—or in dollars, I do not know which he said. But he forgot to say that we were not up in agricultural products: we are away down on them. We are up 2·6 per cent on something else.

Mr. Jutras: I am sure the hon. member does not wish to misquote me. I have my notes here. What I did say was the value of agricultural products was up. Strange as it may seem, the facts reveal that there was an increase in the agricultural group.

Mr. Bryce: By price only.

Mr. Jutras: I said that.

Mr. Bryce: That is not volume; we sell in volume.

Mr. Jutras: I said that.

Mr. Bryce: You did not.

Agricultural Prices Support Act

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I should like to take only a few moments this evening mainly to speak about the problem which confronts our fruit growers in British Columbia. I shall be brief because the matter was covered fully and completely by the hon. members for Yale (Mr. Jones) and Kootenay West (Mr. Herridge). I should like to associate myself with what they said in that connection, and to add my voice to those which have been addressed to the Minister of Agriculture (Mr. Gardiner) in requesting that some action be taken now, and that an announcement be made now, as to the assistance to be given to the British Columbia fruit growers, in view of the difficulties they face in marketing the 1949 crop.

There is a good deal of controversy around this question of support prices and support price legislation. It is not my intention to enter fully tonight into that controversy, although I support the principle that some assurance should be given to our farmers that they will have steady prices, that some measure should be provided by which they will be guaranteed their full share of the national income.

Whatever may be the views and controversy with regard to floor prices, it seems to me that there should not be any room for controversy with regard to the extending of assistance this year to the British Columbia apple growers. They are facing an emergency which is not of their own making and against which they are powerless to act, an emergency arising from the loss of their markets. I sometimes think that the permanent solution to the difficulties of constant or recurring surpluses and depressed prices followed by years of shortages and rising prices should not be sought merely in subsidies or a floor prices program, but should be combined with the building up of the domestic market so that we are better able to consume at home some of the things that we produce.

I do not suggest that we could ever make ourselves entirely self-sufficient, but I do think that we should aim constantly at producing in Canada a more balanced economy so that we are not so vulnerable and completely exposed, as we are now to the loss of overseas export markets. I am convinced that no solution will be complete unless and until steps are taken which will build and maintain a domestic market of really large proportions.

I should like to read one section of the Agricultural Prices Support Act which the bill now before us seeks to extend for another year. Section 9, subsection 2 reads:

> In prescribing prices under paragraphs (a) and (c) of subsection one of this section, the board shall endeavour to ensure adequate and stable returns for agriculture by promoting orderly adjustment from war to peace conditions and shall endeavour to secure a fair relationship between the returns from agriculture and those from other occupations.

Mr. Gardiner: I should like to correct one statement which the hon. member made. The hon. member suggests that the act is to be extended for just one year whereas the bill provides that the act shall continue in force on and after March 31, 1950.

Mr. Fulton: That was an inadvertent error; the time limit is being removed by the amendment. It seems to me that that section which I just read is the section to which we should be directing our attention, the necessity of ensuring to our farmers a fair relationship between the returns from agriculture and those from other occupations. I do not think we can do that by prices support legislation alone because we will be faced, as the fruit growers now are faced, with vanishing markets and then where would we get the revenue to pay the support prices? That would not be available without increasing our population and building up a home market less vulnerable to the adverse conditions which now face our overseas markets. I think the two measures must go hand in hand and I urge the government to round out their prices support program by taking steps to build up our domestic market.

I turn more particularly to the problem faced by our fruit growers. Hon. members have heard of this before and I need not rehearse it in full. Their whole production and marketing program was geared largely to the existence of a market in the United Kingdom which through no fault of their own has now virtually vanished. As has been said before, a fruit grower's program is a matter of twelve to fifteen years. It takes that long to get a tree into full bearing. It is something that cannot be changed overnight. Surely the answer is not to go around pulling out more fruit trees and cutting down production. It seems to me that under those circumstances the fruit growers are entitled to the assistance of support prices, during those years when their markets have vanished, in order to tide them over their difficulties.

I should like to refer to the rising costs with which they are also faced. When you go into a store to buy an apple, particularly one of those wonderful British Columbia apples, you sometimes do not realize the high quality of the product you are getting. Sometimes Ontario members seem to be surprised when they are told what has gone into getting that apple to the market. First there is the planting of the trees, the tending of the trees each year, the spraying, pruning, irrigating, thinning; then there is the buying

of the boxes, the packing of the boxes, hauling the boxes to the packing house, grading the apples, stamping the boxes and loading on the railroad cars. All those factors enter into the cost of production and marketing and every single item has increased during the last five years. Our growers are faced with tremendously increased costs and virtually disappearing markets.

As the house knows, the British Columbia growers were faced with a surplus this year that appeared to be unmarketable. Not wanting to see it go to waste and knowing that there was a shortage of this type of food in the United Kingdom they decided to make a gift of one million boxes of apples. The indications are that had they not sent that million boxes to the United Kingdom they would have been faced with a surplus of a million boxes or more for which no market could be found.

In view of what has been said during this debate and on other occasions, I hope the minister will no longer take the position that the British market is not a potential market for Canadian apples. The figures of apples purchased from other soft currency countries and even from the United States completely disprove the contention that the British are now producing their full domestic requirements in apples. I hope the minister will not continue to take the position that the United Kingdom is not an attractive market for us.

I hope he will give careful consideration to the suggestion put forward Thursday by the hon. member for Kootenay West (Mr. Herridge) that in negotiating food contracts with the United Kingdom in the future he will use every endeavour to persuade them to take $4 million or $5 million out of their allocation to buy apples in Canada instead of concentrating their spending upon wheat and one or two other things on which they now spend relatively large sums.

I ask the minister if he will let us know before this debate is concluded whether he will accede to that request. Will he let us know particularly what assistance will be given to our apple growers this year and when they may expect to receive it?

Mr. G. A. Cruickshank (Fraser Valley): Mr. Speaker, I do not think I can be accused of taking up much of the time of the house on this matter.

An hon. Member: Wrong night.

Mr. Cruickshank: It may be the wrong night, but let us pipe a little prosperity into the farmers of Canada generally as well as into British Columbia. I was not in the house when the floor price under butter was announced. I am not going to talk about fruit because my friends from British Columbia, who have spoken about it previously, know more about it than I do. I am particularly interested in a report I have just received in connection with butter. My information is that certain unscrupulous butter dealers are importing the despicable stuff they call oleomargarine and mixing it with butter.

Mr. Sinclair: Can you prove it?

Mr. Cruickshank: My young colleague took a lot of the time of the house to talk about the pulp industry of the province of British Columbia. I should like to have a couple of minutes to try to improve the lot of the dairy industry, and not entirely at the expense of the pulp men of the province of British Columbia. As I say, the information I have is that certain unscrupulous butter manufacturers, or so-called butter manufacturers, are bringing in oleomargarine, mixing it with butter, and passing it off on the trade. My information also is that under the pure foods act the inspectors are not able to ascertain if oleomargarine has been mixed with butter—

Mr. Sinclair: There is no difference.

Mr. Cruickshank: —if it has less than nine per cent globule fat content. This is a most serious matter to the dairy farmers. I am not going to say anything about the difficulties that the wheat growers and fruit growers are undergoing now. Those matters have been dealt with by various speakers. I am particularly interested in the dairy industry because I happen to own a dairy farm. If this situation is being permitted I want to know if the minister knows anything about it, and I also want to know if the Minister of National Health and Welfare (Mr. Martin) can tell me whether any complaints have been made as to oleomargarine manufacturers, or if it is possible for his department to ascertain whether oleomargarine is mixed with butter to any extent. The story we have in the province of British Columbia is that this has happened. We have the story that one firm manufacturing butter in the province of Quebec imported a carload of oleomargarine. They have never sold a pound of margarine in their lives before, but they imported a carload of oleomargarine.

Mr. Sinclair: To improve the butter.

Mr. Cruickshank: I should like to know for what reason the oleomargarine was imported. Surely one department of the government must have that information. Before I go on I should like to know whether either the Minister of Agriculture or the Minister of National Health and Welfare had any knowledge of the matter.

Mr. Speaker: Order. It is not customary to ask questions of ministers when a bill is before the house on second reading. I suggest that the hon. member might ask his question when the house gets into committee.

Mr. Cruickshank: I bow to your ruling, Mr. Speaker. Instead of asking a question I will make a statement. This has been done, and if it has not been done either of the two ministers should be able to refute the suggestion that it has been done. I am interested in the protection of the dairy farmers of the Dominion of Canada. I am not asking a question now; I am making a statement.

Mr. Sinclair: You are trying to build a straw man in order to knock it down.

Mr. Cruickshank: My young friend says I am building a straw man. That would be quite easy in Coast-Capilano because they are accustomed to straw men out there. I am making that statement, and if it has not happened I should like to have it refuted. The statement is that oleomargarine has been imported by a butter manufacturing concern in Canada to adulterate genuine butter.

Mr. C. E. Johnston (Bow River): Mr. Speaker, I should like to take a few minutes to discuss some aspects of this question. One of the matters to which I should like to refer at the outset is one or two remarks which were made by the hon. member for Provencher (Mr. Jutras) regarding the disposal of surplus commodities. It seemed rather strange that he should discuss such a subject when he is a member of the party on the other side of the house inasmuch as the problem of surpluses has resulted from the policies of the government of which he is a follower. He said that some members claim that it is a disgrace to have surplus products destroyed when people in other countries are starving.

Mr. Jutras: Let us be fair, Mr. Speaker. I never made such a statement. What I said was that some members had said that it was a disgrace to have surpluses in the country. That is an entirely different thing altogether.

Mr. Johnston: That is not the way I have it in my notes, and I think I took it down correctly. In any event, it can be verified in *Hansard* tomorrow. I have not heard anyone on this side of the house say that it was a disgrace to have surpluses. Certainly no member of this party made such a statement. What we and most members on this side of the house have said on more than one occasion is that it is a shame to have surpluses with so many people in want, even in Canada, and have these surpluses destroyed. One of the ways in which surpluses are handled under the present policy of the government—and it is well known to everyone in the house—is to destroy production. As was mentioned a short time ago, we have a surplus of apples. How does the policy of the government deal with that situation? The way they are endeavouring to deal with the surplus of apples in Canada is by paying as high as $4.50 per tree to have the trees pulled up in order to eliminate production.

Mr. Cruickshank: Oh, no.

Mr. Johnston: Oh, yes.

Mr. Cruickshank: When did we ever destroy production?

Mr. Johnston: The hon. member for Peace River (Mr. Low) the other day was discussing the situation in British Columbia. He pointed out that they have surpluses in their 1947 and 1948 fruit crops which they still cannot dispose of, and some of that surplus is being destroyed. That is the thing members on this side of the house are complaining about.

Mr. Cruickshank: Where is that?

An hon. Member: Fraser Valley.

Mr. Johnston: Read the speech of the hon. member for Peace River and you will find out where it was.

Mr. Cruickshank: Will the hon. member permit a question? Will he tell me in what part of British Columbia fruit has been destroyed?

Mr. Johnston: In Nova Scotia—

Mr. Cruickshank: I deny that. It is not true and cannot be proven.

Mr. Johnston: In Nova Scotia they pulled up apple trees, and that is probably what they will be doing in British Columbia before very long.

Mr. Cruickshank: You said the Fraser valley.

An hon. Member: He did not say the Fraser valley.

Mr. Johnston: The hon. member for Peace River said it was during the election campaign that these surpluses were there.

Mr. Cruickshank: That is an absolutely untrue statement.

Mr. Johnston: You don't know what you are talking about.

Mr. Cruickshank: Oh, don't I? I repeat—

Mr. Speaker: Order.

Mr. Johnston: Mr. Speaker, it could still be and he still would not know what he was talking about.

Mr. Cruickshank: I am not taking that statement. If the hon. member for Peace River is fair he will admit—

Mr. Johnston: Who has the floor now?

Mr. Cruickshank: —that fruit was paid for by the Department of Agriculture. Is that not correct?

Mr. Low: On a point of privilege, Mr. Speaker, speaking in this house the other night I said I went into the town of Yarrow in the constituency of the hon. member and saw most of the 1948 berry crop and most of the 1947 berry crop lying in storage in hogsheads in the basement of the packing plant or out in the railway yard under the sun, and that the farmers had not received any returns for their crops at that time. That was during the election campaign of 1949.

Mr. Johnston: Now, Mr. Speaker, that the hon. member for Fraser Valley (Mr. Cruickshank) has it straight—

Mr. Cruickshank: I haven't got it straight, and neither have you.

Mr. Johnston: Probably he did not know that place was even in his constituency, so we will excuse him; but he will have another opportunity to explain the situation.

Mr. Cruickshank: Did you count the vote in Yarrow?

Mr. Johnston: I believe the time has come when this prices support legislation should be made permanent, and we are pleased to see that is what the minister is endeavouring to do now. The farmers of Canada are in need of such security. They are not begging for it, by any means. It should be realized now that this is something they were promised during the war years. We all recall that during those years, when the prices of agricultural products were restricted and controlled and the farmers were forced to take less than they could get in the open market, they were assured that they would not lose in the long run by having their prices controlled. This is one way the government is taking to see that those promises are kept, at least partly; and for that I think the government should be commended. But of course it depends entirely upon what the floor price is going to be.

At this point may I urge that the floor price should not be below parity price for those things the farmers have to buy. In my judgment it is a shame that some supporters of the government, and more than that some who are in very responsible positions, should be permitted to go about the country making irresponsible statements. Some of the parliamentary assistants have been travelling about the country saying things which are not to the credit of either the party to which they belong or themselves. If those statements are not correct it is time the cabinet ministers, who are responsible for carrying out the policies of this government, corrected them; and it is also time they put these parliamentary assistants in their place. I want to refer to some of those statements for a moment, and I am going to quote from the Manitoba *Co-Operator* of February 23. The heading is "Hannam says Canadian farmers seeking reasonable price levels," and the dispatch goes on:

> Strong exception was taken by H. H. Hannam, president, Canadian federation of agriculture, to the remarks made by Leslie Mutch, M.P., parliamentary assistant to the Minister of Veterans Affairs, in an address on Wednesday to the Liberal businessmen's club in Toronto.

Why the assistant to the Minister of Veterans Affairs should be taking over the Department of Agriculture as well is quite beyond my comprehension; but apparently he is straightening out that department at the same time.

Mr. Gardiner: Everybody tries to run it.

Mr. Johnston: Well, perhaps it is time you got some good advisers rather than the ones who are poaching on your territory. The article goes on:

> Mr. Mutch was quoted as saying that the almost universal demand for some sort of security was evidence of a softening of the moral fibre, a narcotic of the weak-willed, excuse of the lazy and the refuge of the coward.

Mr. Sinnott: Would you call a farmer lazy?

Mr. Johnston: He is being called that by a member of your party.

> Mr. Mutch had classed the farmers of Canada as the second best organized of the "fear-ridden" groups, labour being first.

There is no doubt to whom he was referring with all these adjectives. He was referring to the farmers of Canada; and when he speaks of the farmers being weak-willed, of their policies as an excuse for the lazy, it seems to me he is going beyond the bounds of decency. It is an established fact, as everyone in this house knows, that during the war the farmer did as much work, if not more, for less return than any other worker in Canada; and because that was so they were assured by the minister that in the long run they would not be the losers financially. To have one of the parliamentary assistants come along now and class them as a lazy, weak-willed bunch, and so on, is certainly not deserved.

Mr. Cruickshank: He was speaking of his own group.

Mr. Johnston: He was speaking for the Liberal party, I presume.

Mr. Cruickshank: He was speaking of the parliamentary assistants as a lazy bunch.

Mr. Johnston: The article goes on:

In a statement issued at Ottawa, Mr. Hannam said: "If Mr. Mutch's remarks are to be taken seriously, they exhibit a most unfortunate attitude of mind...

He might have said "state of mind."

. . . and it is sincerely to be hoped he does not reflect the opinion of his minister or his government."

I think it high time the Minister of Agriculture (Mr. Gardiner) made a statement in that connection, so we may see whether or not the parliamentary assistant was expressing the opinion of his department or of the government, because after all one must remember that he occupies a responsible position.

"His remarks envision a return to the old economic anarchy of the past, wherein every man was for himself and the devil take the hindmost."

Now I would ask the parliamentary assistant who made that statement why, if there is any element of truth in what he said, the farmers are a fear-ridden bunch, or a lazy class of individuals. If there were any truth it would be because of the policies of this government. One has only to refer back to the hungry thirties to recall that one of the most poverty stricken groups in Canada were the farmers, who continually sold their goods for less than the cost of production. No other industrial group in Canada has ever been asked to do that. A short time ago mention was made of these other industrial groups that have protection, and at that time something was said about tariffs. These are a very definite protection for those producing secondary goods. Take the machines the farmer has to buy. The Massey-Harris Company is one of the greatest producers of farm equipment in the world, I would say, with markets all over the world; yet farm machinery is protected by a tariff. Take the manufacturers who make automobiles and trucks. No industrial group in Canada has greater protection; yet those are the very implements the farmer has to buy. So when the farmers ask for a little protection in this prices support act they are not asking for charity. They are only asking for the same thing that other organizations have had ever since Canada was created, and something they were promised because of the low prices they took during the war.

Mr. Gardiner: Why not pass the bill and let them get it?

Mr. Johnston: I am not so sure they will; that is the thing I am fearful of, that by the time this is put into operation the floor prices will be so low the farmers will not be getting anywhere near parity prices. May I say right here that I am of the opinion that the prices should be included in the bill, so the farmers would know exactly what they were going to get. The prices should be based on parity.

When we think of the trend in agricultural prices, it is not much wonder that the farmers across the country are fearful. Let me quote from another clipping which I took from the Manitoba *Co-operator* of March 23, 1950. It is headed, "Farm living costs advance but total farm costs lower." It reads as follows:

Over-all costs of commodities and services used by Canadian farmers showed a slight drop in the five months from August last year to January this year, while farm living costs increased, according to indexes compiled by the dominion bureau of statistics.

Farther down the article continues:

Reflecting increases for foods, fuel, health and maintenance, and miscellaneous items for both eastern and western Canada, the index of farm family living costs rose from 174·5 for August to 175·3 for January. The latest index was 3·5 points above the index for January, 1949. Clothing and household equipment remained unchanged in the five months.

Indexes for farm equipment and materials increased 4·2 points, rising from 180·2 to 184·4, the latter level comparing with 180·3 in January last year. Among its components, price indexes were higher in January this year than in August for farm machinery, building materials, gasoline, oil and grease, feed, fertilizer, seed and hardware, but was unchanged for binder twine, while all sub-groups moved higher than a year ago except seed.

Is it any wonder then, Mr. Speaker, that the agriculturists are fearful lest the prices which are set under this bill are not going to be sufficient to give them anywhere near parity, when you realize that the figures I have just read indicate that the prices of those things which the farmers buy, and which are necessary to their production are all increasing? Is it any wonder that the farmers are fearful lest the prices which are set under this bill will not be sufficient to give them a fair return? I do not want to talk the bill out, or to carry it past eleven o'clock, but I do want to say that I think the minister would be doing justice to himself and the department if he were to put in this bill a price formula which would be parity for the farmers.

Mr. P. E. Wright (Melfort): I am afraid it is rather late to start taking a vote on this bill tonight. We would have hesitated to move an amendment to this bill had it not been for certain statements which the minister made on Thursday during the resolution stage of this bill. It had been hoped that when this act was to be continued indefinitely the government would be prepared to set floor prices under the act which would be reasonably satisfactory to the agriculturists of this country. But when the minister was giving his explanation, that did not appear to be

what the government were going to do. He stated that they were using certain years, 1943, 1944, and 1945, to determine what the relationships were during those years, between what the farmer was receiving for what he had to sell and what his costs were.

Then he went on to say that did not necessarily mean that, although they used those years to get those relationships, the government was prepared to maintain that relationship. In fact, he said the opposite.

Mr. Gardiner: What I really did say was that there was not any place where they did undertake to give the exact relationship. I went on to say that the United States makes it 60 per cent in one case, 90 per cent in another, and so on.

Mr. Wright: So that we can be sure of what the minister said, may I quote from page 1076 of *Hansard:*

> The period we have been checking on is 1943, 1944 and 1945. We will continue to check on it. I do not say, neither do they in the United States, that when that has been worked out we are going to pay a 100 per cent floor price based on it. In the United States, they do not pay anything higher than 90 per cent, and most of the time they are paying 60 per cent.

I think the minister is wrong about that, because the United States is paying 90 per cent on most of the basic products, not 60 per cent. On some of the perishable products, 60 per cent is being paid, but on the non-perishable products they are paying 90 per cent.

The minister continues as follows:

> What I did say in Niagara Falls, and what I have said everywhere, is that, when we brought in this legislation, no farmer in Canada, no one anywhere, expected that we would set floor prices at the highest price level we would ever obtain from farm products.

We are not asking him to set them at the highest price level. We are asking him to put a formula in the act, under which we will know where the prices are to be set, not necessarily at the highest point for the product. If the government will accept the period, as we have suggested in this resolution, and will continue to maintain the relationship between agricultural prices and the cost of the things the farmers have to buy, that is all we ask.

Mr. Speaker, since it is eleven o'clock, may I move the adjournment of the debate.

Motion agreed to and debate adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we shall continue the consideration of this bill, No. 17. Then we shall take up bills Nos. 54 and 56, an act to amend the continuation of the Transitional Measures Act, 1947, and an act to amend the Fisheries Prices Support Act, 1944. If we conclude those bills in the afternoon, we shall take up the motion of the Minister of National Health and Welfare, and the motion of the Secretary of State for External Affairs. At eight o'clock, the Minister of Finance will open the debate on the budget. When this debate is adjourned, we shall take up private bills, if it meets with the consent of the house. If not, we shall revert to the business we were considering before six o'clock.

Mr. Adamson: How long is it for private bills, one hour?

Mr. Fournier (Hull): One hour.

Mr. Gardiner: If I may say so, I think perhaps members would like to know that the legal advice we have is that these bills cease to exist at midnight on Thursday night. I thought all members should know that.

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

HOUSE OF COMMONS

Tuesday, March 28, 1950

The house met at three o'clock.

LAURENCE A. STEINHARDT

DEATH OF UNITED STATES AMBASSADOR TO CANADA IN AIRPLANE ACCIDENT—MESSAGES OF REGRET AND SYMPATHY

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, all hon. members will have learned of the air disaster this morning in which the United States ambassador, the Hon. Laurence Steinhardt, lost his life.

It was my painful duty this morning, in company with the Secretary of State for External Affairs (Mr. Pearson), to call at the chancellery, at the United States embassy and also at the residence of the United States minister, Mr. Julian Harrington, to express the sympathy of the government and of the Canadian people on the tragic death of the ambassador, of the United States minister's son and of three officers of the United States Air Force. I feel sure all hon. members would wish to join in that expression of sympathy.

I should like at this time to read into the permanent records of parliament the statement I have already given to the press concerning this terrible disaster. My statement is as follows:

All Canadians will be shocked by the news of the air disaster in which the United States ambassador, Hon. Laurence Steinhardt, lost his life.

The death of Mr. Steinhardt is a grievous loss to the foreign service of the United States in which he has had such a distinguished career. For Canada it is the loss of an understanding friend who believed deeply in the value to each other and to the world of the friendly association of our two countries, and who contributed day by day in countless ways to the strengthening of our common bonds.

The tragedy is heightened by the fact that the son of Mr. Julian F. Harrington, the United States minister in Canada, also lost his life.

The sympathy of the Canadian people will be extended in full measure to Mrs. and Miss Steinhardt and to Mr. and Mrs. Harrington in their bereavement, and to the families of the three officers of the United States Air Force who also lost their lives in this disaster.

In the name of the government and people of Canada, I have sent a message of sympathy to the President of the United States.

Perhaps it would be appropriate to place the text of this message on the record. It is as follows:

Ottawa, March 28, 1950

Harry S. Truman,
President of the United States,
Washington, D.C.,
U.S.A.

I was shocked to learn a few minutes ago of the tragic death this morning of the Hon. Laurence Steinhardt. My regret will be shared by all Canadians; for in the comparatively short time Mr. Steinhardt was in this country he had won the respect and admiration of us all. I am sure that they would wish to join me in extending to you personally and to the people of the United States generally a message of sympathy in the loss of this devoted and experienced servant of his country.

Louis S. St. Laurent

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to join with the Prime Minister (Mr. St. Laurent), personally and on behalf of those with whom I am associated, in the expressions of sadness and regret at the death of Mr. Steinhardt, and also the United States minister's son and members of the United States Air Force, and in conveying to their families the deep sympathy that we feel for them at this time.

Because of his close association with so many of us I should like to speak particularly of Mr. Steinhardt.

Death always brings sorrow and a final sense of loss. This is particularly so when someone of the great vitality and great human qualities that Mr. Steinhardt possessed is suddenly taken from us by a tragedy such as that which occurred near Ottawa this morning. Every one of us will join with the Prime Minister in the message of sympathy that has been conveyed to Mrs. Steinhardt and her daughter. It is to be hoped that for them there may be some measure of comfort in the knowledge that those of us who collectively represent all the people of Canada most wholeheartedly extend to them our deepest sympathy in the loss of a loving husband and father who had played so great a role in strengthening the ties of friendship and respect between his native land and our own.

Laurence Steinhardt was more than a great ambassador of the United States. He was a great human being. He sacrificed unusual material opportunities to serve his country through one of the most critical periods in the world's history. He was an outstanding lawyer, and until 1933 was actively associated with one of the most important and most highly respected legal firms in the United States. Before practising law he had been an accountant, and because of that special training was called upon to represent the government of the United States in many different countries in connection with the legal problems that arose out of the first world war. While giving him unique opportunities for personal advancement, this experience also trained him for the wider service of his country in the diplomatic field.

The late Hon. Laurence A. Steinhardt

Thus it was that, in his first year as President of the United States, President Roosevelt personally persuaded Mr. Steinhardt to give up his professional activity and serve the United States abroad. In 1933 he represented the United States in Sweden, where great events were under way. He remained there until 1937. From there he went to Peru, where he took part in the framing of the agreements that emerged from the Lima conference.

Then he went to Moscow, where his ability to speak many languages, and his knowledge of history and international politics, placed him at the forefront of those who were still seeking in every way possible to prevent Russia from making the fatal mistake of joining hands with nazi Germany. Those high hopes were shattered when the agreement was signed between Russia and Germany which brought on the second world war. Nevertheless he continued to work for peace in every way he could, and during the invasion of Finland by Russia he visited that area in an effort to restrain Russian aggression. In Moscow he met the Japanese foreign minister Matsuoka, both before and after his visit to Berlin, and did what he could to impress upon Japan the ultimate futility of the axis dreams of world conquest.

When the Russian government left Moscow, Mr. and Mrs. Steinhardt went to the new capital, and then later they went to Turkey where they remained from 1942 until 1945. Then they went to Prague where they saw the communist tyranny once again working in all its cruelty. In 1948, with this background of experience and service, Mr. Steinhardt came to Ottawa, at a time when the relationship between the United States and Canada had assumed such immense importance. Here he employed his truly remarkable gifts for the purpose of cementing the firm foundation of fellowship and understanding between these two democracies to which the Prime Minister referred and with which the Prime Minister is so intimately acquainted.

Great though Mr. Steinhardt's earlier achievements were, achievements which won for him the Medal of Merit, the highest United States decoration any civilian may receive, his greatest service to his country and to the world-wide cause of freedom was here in Canada during the past two years. He had great faith in Canada. In one of my last conversations with him he spent considerable time in describing the vast opportunities he saw in this country for rapid development in the years ahead. That affection for Canada and confidence in our great future undoubtedly guided the sympathetic interpretation of the Canadian point of view which he gave to Washington.

It is always a great shock to learn of the accidental death of a man of great vitality, courage, charm, and unusual ability. Nevertheless it is all too often the closing page of a life of great service. Loyalty to the supreme cause of human freedom knows no boundary. In mourning his loss at the very height of his attainments we also share a feeling of pride with his own fellow countrymen that under our free democratic system men like Laurence Steinhardt are prepared to forgo the bright prospects of personal advantage so that they may serve the cause of all mankind. Tragic though his death is, service to the things he loved has been given in full measure. Of him it may truly be said: "That life is long which answers life's great end."

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, on behalf of those associated with me I wish to join in the universal feeling of sorrow that has been expressed at the passing of a gentleman who was not only a great citizen of his own country but a great world citizen. Those of us who had the opportunity from time to time of meeting Mr. Steinhardt were impressed by his charm, his gentleness, and his humanitarian outlook. He came to Canada as an ambassador with a background of knowledge of our country. I believe that in the days of his youth he travelled across western Canada, and years afterwards, when he was being received by Canadian ministers of the crown and other dignitaries, he said that he had received just as hearty a welcome when he knocked at the back doors of the prairie people as he received when he came here to represent his country as ambassador.

To Mrs. Steinhardt and her daughter we wish to express our deepest sympathy, and to the United States people our grief at the loss of a great ambassador. I should like to express also our sympathy to Mr. and Mrs. Julian Harrington, whom some of us also know well. The loss of their only son will be a source of great grief to them; and I am quite sure that from one end of this country to the other the death of the United States ambassador and of members of his staff under such tragic circumstances will indeed be deeply mourned.

Mr. Solon E. Low (Peace River): Mr. Speaker, I am sure that I speak for all the members of this group when I say that we were grieved to learn that this morning a plane accident had snuffed out the lives of a number of our American friends, among whom was Hon. Laurence A. Steinhardt, ambassador to Canada. I find it hard to think of words to express the sorrow we feel at the untimely passing on Canadian soil, through an accident, of so many citizens of our great and friendly neighbour to the south.

If I speak mostly of Mr, Steinhardt it is not that I feel less grief over the loss of his companions on the plane, but because he was the spokesman and mouthpiece of his country in Canada.

I knew Mr. Steinhardt, having met and talked intimately with him on a number of occasions after he came to Canada in 1948. On those occasions I felt the warmth of his pleasing personality and admired his great ability. I felt that he was a real friend of our country. He displayed a keen interest in Canada, in our development, and in all we are trying to do. We had the feeling that here was a diplomat of prime stature, having such an understanding of this country as well as of his own, and possessed of such unusual wisdom, that he could draw our two great countries together into closer co-operation in all our efforts. This I think he did.

The world is far too short of ambassadors of good will. Mr. Steinhardt was indeed one of these, and therefore his loss is all the more tragic at this time.

I wish, on behalf of the group which I represent, to express our deepest sympathy to Mrs. Steinhardt, her daughter, and the relatives of the late ambassador in their bereavement, and to the government of the United States, which has lost one of its most brilliant representatives. We must not forget those who are left to mourn each of the others who lost their lives in that most regrettable accident this morning. Our heartfelt sympathy and humble prayers go out to them also.

SUPREME COURT OF CANADA

GENERAL ORDER AMENDING RULES

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I beg leave to table two certified copies of the English version and two certified copies of the French version of a general order made by the Supreme Court of Canada amending the supreme court rules.

INCOME TAX

REGULATIONS WITH RESPECT TO RATES OF DEPRECIATION

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, many requests have been made to the government on behalf of farmers and fishermen that the new regulations fixing the rates of depreciation for 1949 and subsequent years should not take effect until 1950. As I previously explained to the house, suspension of these regulations would mean that farmers and fishermen would be entitled to no allowance in respect of depreciation for 1949. It has been decided, however, to amend the regulations so that farmers and fishermen will be entitled to claim, in respect of the year 1949, depreciation at the rate prevailing in 1948.

There have also been representations regarding the regulations covering depreciation for taxpayers other than farmers and fishermen, particularly in regard to some of the rates and to the limitation of the allowances to corporations to the amount charged in their financial statements. Because the regulations provide that taxpayers may continue to use the 1948 rates in computing their 1949 income, this matter is not of immediate urgency, but I should like to assure the house that careful consideration is being given to these matters, and that the government's decision will be announced in due course.

NORTH ATLANTIC COUNCIL

ANNOUNCEMENT OF MEETING IN LONDON IN MAY

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, members of the house may be interested to learn that yesterday the Secretary of State for Foreign Affairs of the United Kingdom invited, through the chairman, the members of the North Atlantic council to meet in London in the early part of May. The Canadian government has accepted the invitation, and will be represented at that meeting.

TERRITORIAL LANDS ACT

REVISION AND REPEAL OF DOMINION LANDS ACT—PROVISIONS RESPECTING SALE OR LEASE, ETC.

Hon. Robert H. Winters (Minister of Resources and Development) moved the first reading of Bill No. 81 (from the Senate), respecting crown lands in the Yukon Territory and the Northwest Territories.

Motion agreed to and bill read the first time.

CRIMINAL CODE

AMENDMENTS WITH RESPECT TO BREAKING AND ENTERING, FORGERY, ETC.

Hon. Stuart S. Garson (Minister of Justice) moved the first reading of Bill No. 82 (from the Senate), to amend the Criminal Code.

Motion agreed to and bill read the first time.

CANADIAN PACIFIC AIR LINES

SERVICE TO THE ORIENT—SHEMYA, ALEUTIAN ISLANDS, AIR BASE

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): I should like to direct a question to the Minister of Transport. Apparently there is some

question whether Canadian Pacific Air Lines will be able to continue flying the route from Vancouver to the Far East by way of the Aleutians, by reason of an air field in the Aleutians being closed. Can the minister tell us what the situation is, and whether the service will be discontinued?

Hon. Lionel Chevrier (Minister of Transport): The Canadian authorities were informed by the United States government some time ago that the United States Air Force was contemplating withdrawal from maintenance of certain air bases in the Aleutians, since these were no longer considered necessary by the United States Air Force, and the expense of maintenance was extremely heavy. One of these, Shemya, has been used by both Canadian Pacific Air Lines, and a United States air line, Northwest Air Lines, on their service to the Orient. It is understood that United States civil aviation authorities do not consider it feasible to maintain Shemya purely for civil purposes, in view of the extremely heavy cost involved. Should Shemya no longer be available, it will probably be necessary for Canadian Pacific Air Lines to contemplate use of a mid-Pacific route to Hong Kong and Tokyo by way of Honolulu, Midway, Wake and Guam.

The air transport board has already discussed this problem with the representatives of the United States civil aeronautics board and the United States state department, and it is expected that satisfactory arrangements can be made for use of this alternative route should the necessity arise, as seems likely.

SHIPPING

COLLISION BETWEEN VESSELS "GERTRUDE DA COSTA" AND "ISLAND CONNECTOR" IN HALIFAX HARBOUR

On the orders of the day:

Hon. Lionel Chevrier (Minister of Transport): I should like to reply to a question which was asked by the senior member for Halifax (Mr. Isnor) in connection with a collision which took place in Halifax harbour some days ago. A preliminary inquiry took place following the collision between the *Gertrude da Costa* and the *Island Connector* in the harbour of Halifax. The master and ten members of the crew of the fishing vessel, the *Gertrude da Costa,* lost their lives as a result of the casualty. The loss occurred following a collision with the *Island Connector,* which was outbound. The fishing vessel was inbound from a fishing trip to the Newfoundland banks.

On account of the heavy loss of life it has been decided to hold a formal investigation under the provisions of the Canada Shipping Act into the circumstances under which the casualty occurred. The Department of Justice has been requested to name a commissioner to hold the investigation, and everything possible will be done to open hearings at Halifax at the earliest convenient date.

SYDNEY MENTAL HOSPITAL

DESTRUCTION BY FIRE—PROVISION FOR HOUSING OF PATIENTS

On the orders of the day:

Mr. Clarence Gillis (Cape Breton South): I should like to direct a question to the Minister of National Health and Welfare. Has the minister's department been informed of the destruction by fire of the mental hospital at Sydney, Nova Scotia, creating a very difficult problem in the housing of hundreds of patients in temporary quarters? If so, is there any immediate assistance that might be given to help solve the problem?

Hon. Paul Martin (Minister of National Health and Welfare): I have been informed of the fire in question. As yet, however, no project has been suggested to us by the provincial government. Of course time has not permitted that to take place, but the matter will be followed closely in the light of the whole situation.

INCOME TAX

APPEAL BOARD—JUDGMENT IN CASE OF "MR. C." AND THE MINISTER OF NATIONAL REVENUE

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to bring a matter to the attention of the Minister of National Revenue. On the 20th of March I asked whether the minister would produce the judgment of the income tax appeal board in the case of "Mr. C." and the Minister of National Revenue. I asked whether he would consider tabling the evidence and the reasons for judgment in that order of the appeal board. I now ask the minister whether he has given consideration to that request, and whether, in addition to delivering the judgment, he will table the evidence.

Hon. J. J. McCann (Minister of National Revenue): I understand that it is not the practice to table court judgments in this house. In this case, however, the judgment and the evidence are available under the statute setting up the income tax appeal board.

I have handed to the hon. member for Lake Centre a copy of the reasons for judgment and of the minutes of judgment in this particular case. So far as the evidence is concerned,

that is not public or available because at the request of the appellant the case was heard in camera.

PUBLIC SERVICE

QUESTION WITH RESPECT TO FIVE-DAY WEEK

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to direct a question to the Prime Minister, or, if it should be referred to some other minister, perhaps he will indicate to whom my question should be addressed. Would it be possible for a statement to be made at an early day as to government policy in the matter of the five-day week for government employees?

Right Hon. L. S. St. Laurent (Prime Minister): I believe the facts will speak for themselves, Mr. Speaker, as to what is government policy. The public know what are the hours now being put in by members of the civil service, and there is not apt to be any change until there has been a decision by the government to authorize a change. As soon as that is done, the hon. member may be sure the change will be quite apparent.

Mr. Knowles: Is the Prime Minister aware that some employees do get the five-day week, while others do not?

Mr. St. Laurent: My understanding is that those who are subject to civil service regulations are not on the five-day week.

AGRICULTURAL PRICES SUPPORT ACT

PROVISION FOR CONTINUATION IN FORCE ON AND AFTER MARCH 31, 1950

The house resumed from Monday, March 27, consideration of the motion of Mr. Gardiner for the second reading of Bill No. 17, to amend the Agricultural Prices Support Act, 1944, and the amendment thereto of Mr. Argue.

Mr. P. E. Wright (Melfort): Mr. Speaker, when the house rose at eleven o'clock last evening the Minister of Agriculture (Mr. Gardiner) said that if these bills were not passed by Thursday they would automatically expire. It is not the intention of this group to try to hold up this legislation. We simply wanted certain amendments made which in our opinion would make it more effective; but we have no intention of filibustering so far as these bills are concerned.

Before we adjourned last night I had read a statement by the minister which indicated that though the period from 1943 to 1945 was being used by the government as a base period, this did not necessarily mean that floor prices would be based on that period. On further questioning the minister stated that the best guarantee the farmers in this country had with respect to floor prices was the fact that the Liberal party was in power, and they would look after this matter. In other words we are to have in Canada, if I correctly interpret the minister's statement, political floor prices. In the Annapolis valley, for instance, where we are to have a by-election in a short time, if the farmers want to feel that their crop will be taken care of next year, according to the minister they had better vote Liberal, or else.

As an industry, agriculture wants something better than that. We do not believe floor prices for agricultural products should be at the whim of the government. We think they should at least put in the legislation some assurance as to what those floor prices will be. In our amendment we do not ask that the floor prices be set at the highest point any agricultural product reached during the past number of years. Our amendment seeks to—

> —provide that floor prices should be established at such levels as to guarantee to producers a price-cost relationship not less favourable than that prevailing in the period 1944-48.

In other words all we are asking in this amendment is that the relationship of agricultural products to the wages being paid labour and the returns to manufacturing and other industries in this country, which obtained during the period from 1944 to 1948, be continued. We think that is only fair. We believe there was a reasonably fair relationship in our economy during that period. The trouble is that agriculture has not been in a position to maintain its prices. When the farmers put in their crops they have to sow sufficient to meet the needs of the consuming public, not only when we have bumper crops but during periods when our crops may not be so good. The result is that a larger acreage has to be sown if we are to have that margin of safety which I think is desirable in any economy. Having established that margin of safety, I do not believe the farmers should be penalized when we have bumper crops and, as a result, have some surpluses coming on the market. In those periods the speculative interests who handle our agricultural products from the time they leave the farm until they reach the consumer are able, by reason of these small surpluses that may exist, to depress the prices of all agricultural products, and the farmers take the loss. The result will be that sooner or later the farmers will stop producing to the extent necessary to provide this margin of safety for our economy. When that time comes it will mean that if we should become short of any particular crop we shall have to go into the export market and buy to meet

our own needs, and I do not think that is a good policy.

Under this legislation we should be providing a bridge for agriculture to carry it over difficult periods. Instead of that the government is simply providing a life preserver so that if the farmer should get into difficulty and begin to drown he can be thrown the life preserver and pulled out—maybe. Is that not political strategy? You see, a man is much more thankful to the person who throws him a life preserver, pulls him out and saves his life than he would be to the person who built a bridge which would keep him from falling into the water at all. Human nature being what it is, people often forget who built the bridge, but they seldom forget the man who rescues them when they are drowning. Apparently it is the intention of the government under this legislation to provide a life preserver in case the farmer is drowning. Then they will save him, and of course he will be thankful to the government that saved his life.

I do not think that is enough. That is not what the former prime minister indicated when this legislation was introduced. In a radio broadcast in 1943 Mr. Mackenzie King said:

> I wish tonight to thank the farmers of Canada for their magnificent contribution to the battle of production. I wish again to appeal to them to continue to help hold the front line against inflation by continuing to support the price ceiling. If, to help win the war, the farmers are asked to accept a ceiling on prices, we believe they are entitled to a floor under prices to ensure them against an agricultural depression after the war. As an essential part of its post-war policy, the government intends to ask parliament at the next session to place a floor under the prices of main farm commodities.

In fulfilment of that promise, the present floor prices legislation was passed in 1944, just prior to the 1945 election. Under this legislation we have spent some $6 million to $8 million in support of agricultural prices. The method that has been used in support of those prices tends to allow the price to drop to such an extent that the farmers producing a particular product become alarmed, hold protest meetings, and, when they finally get the ear of the government, the government places a floor under the price of that product. In our opinion, that is not sufficient. We have, therefore, moved this amendment. We believe that under this amendment, if it were adopted, there would be a fair relationship maintained in Canada between agriculture, industry, labour, and all the producers of goods and services.

I am sure many of the farmers on the government side of the house realize that this amendment is necessary if this act is to be

effective in doing the job it is intended to do. I would urge upon them that they support the amendment, and see that agriculture is not left in such a position that it is dependent upon the whim of any particular political party. This is the parliament of Canada, and we should be prepared to protect our own economy.

Mr. J. J. Smith (Moose Mountain): Mr. Speaker, there are a few remarks I should like to make on this Agricultural Prices Support Act. Many speeches have been made in this chamber, some of them good, including the one made by the hon. member for Assiniboia (Mr. Argue), but his was greatly exaggerated. He said that the farmers in western Canada were disappointed with the treatment received from the Department of Agriculture and this government in the matter of floor prices.

At the outset, when we have floor prices under farm commodities, I believe those floor prices must be related to some contract. I do not see how floor prices can be set unless we have some idea of the contract to which those prices are to be related. There was a wheat board, and I believe it did a good job. There are people who will argue, among them possibly some members of this house, against boards, contracts, and that sort of thing. The administration which I support has taken the middle road. There is one party in this house that wants contracts and boards for everything, and another that would prefer not to have any.

Let us look at our wheat board. I believe a consideration of that subject is relevant to this prices support act. Mention has been made of the loss suffered by the western farmers during the war. I am not in a position to speak for the eastern farmer, but I think I can speak for the western farmer. I have been one, and I am still one. Possibly if I tried I could say what a farmer ought to have for his wheat in order to make his farming pay. I farmed throughout the thirties and paid for a farm during the forties.

Mr. Wright: On a point of order, Mr. Speaker, the wheat board does not come under this legislation at all.

Mr. Smith (Moose Mountain): It does not? Very well, then; I shall discuss that later. I shall deal now with the amendment which is before the house, if that is in order, sir. It calls upon the Department of Agriculture to put floor prices under farm commodities; the amendment requests a floor price which may be considered somewhat high. Why do I say that? I said before that I thought any attempt to set floor prices for farm products should be related to a contract, or to the price that may be obtainable. If that is not done,

the farmer may have to be subsidized by the rest of Canada. I do not think the western farmer wants to be subsidized by anyone. He has always been able to look after himself, and he is going to continue to do so. I do not want anyone from another part of Canada telling me that eastern Canada is carrying the western farmers. I do not want to have to swallow that.

Now, Mr. Speaker, so far as this amendment is concerned, it looks good on the surface. In my opinion, however, an examination of it will indicate that it endangers our contracts and may prevent further contracts. Let us take beef, for the moment. We have no contract for beef, and at the moment our surplus beef is going to the United States. I presume if this amendment carries it will be necessary for the Department of Agriculture to guarantee the farmer a high price for beef. Suppose the United States decided that our beef could no longer enter the United States. We would have to look for a new market for our beef. Suppose the United Kingdom decided she could use some of our beef. At the moment beef is selling for about twenty-two cents a pound live weight. Do I say it is too high? No. But we would have to look for the new market, and I agree with other hon. members in this house that Great Britain is a good market. Suppose the minister of agriculture for Great Britain invited the Minister of Agriculture for Canada to negotiate a price for that beef. The British minister of agriculture may say that twenty-two cents is too high, but he would be willing to take it at sixteen or eighteen cents. Our Minister of Agriculture would have to say that there had been an amendment to the Agricultural Prices Support Act, and he, therefore, could do nothing but ask for the twenty-two cents. That would be a difficult position.

If the C.C.F. party had been elected, and the member for Assiniboia were the minister of agriculture, I do not think he would enjoy being put in that position. If the Conservatives had been elected—I am not sure I could pick the minister of agriculture, but I think the hon. member for Souris (Mr. Ross) would have that portfolio. He would have to say that the parliament of Canada tied him down by setting a high price. Do not let anyone say I said the price was too high. If the Minister of Agriculture were called upon for such a purpose he could possibly take some advisers with him, but he could not take all the members of parliament to relieve him of the restraint this amendment would impose.

I am here because I talk plain English and I am going to continue to do so. I want to say further that I do not think it would be good politics for me to stand up and say—and I am not saying it—that the prices of agricultural products are too high, because I represent an agricultural constituency. However, the farmers in western Canada—and I speak for the people in the communities of Saskatchewan who have had crops; there may be farmers who have not had crops, and they may not be in a good position—the western farmers are not suffering and are not complaining about prices and markets today; and I say that to hon. members from eastern Canada.

An hon. Member: Are you with us or against us?

Mr. Smith (Moose Mountain): I shall not have to speak too loudly if you fellows will keep quiet. I do not think I shall say how far back we might go, but we in western Canada a good while ago expected a decline in prices; and there is a good deal of credit coming to someone because we have not had a decline in prices. During the Christmas holidays I was speaking to a friend of mine; as a matter of fact he is a good friend, but he is such a socialist that he told me he would like to vote for me but he could not vote Liberal. Still he is my good friend. As I say, I was speaking to that friend, and I have some good friends in Saskatchewan who are C.C.F.'ers. He was talking about markets. He reads *Hansard*, and from reading *Hansard* for the last session of this parliament he gathered that we had no markets left and that prices had gone. He asked me about markets. I think he thought that I would give him a truthful answer. I told him that as far as I could see, we had not lost them yet; prices had not fallen too badly. He went on to indicate the figure that he thought the western farmers should have for wheat, and I may say that I agree with him. He said that any time the western farmer could get a dollar for a bushel of wheat at the elevator and get a fair crop, with other things in line with that price, he was not doing too badly.

Mr. Wright: What about the other things?

Mr. Smith (Moose Mountain): I said that they must go with it. I will go into that right now.

Mr. Argue: That is what the amendment says.

Mr. Smith (Moose Mountain): I know what your amendment says.

Mr. Speaker: Order.

Mr. Smith (Moose Mountain): I agree with my hon. friend that the farmer, when he seeds his crop in the spring, should know what he is going to get for a bushel of wheat. In the past that has been the big mistake in the set-up in the west. You talk about machinery. If I sow grain in the spring

I will gamble with the weather. But if I know what I am going to get for a bushel of wheat I will buy my machinery accordingly. No machine agent can come along and sell me a $4,500 combine if I know that I am going to get only a certain price for wheat. I would know whether I can pay that amount of money for the combine or any other machine. I am speaking strictly about the western farmer. The farmer in the spring sows his crop, and if he does not know what the price of wheat is, he will take a chance on buying, say, a combine or any other machinery at a big price; then when he comes to sell that grain the price may be down, and that is where he gets into trouble. The same thing applies if you buy land or anything else. I maintain that if we get a set price for wheat that will stabilize the price of everything else that the farmer buys; because the machine companies will put the price of their machinery in line with what the farmer is getting for wheat, or else they will keep it.

Mr. Wright: Is that what they did in the thirties?

Mr. Smith (Moose Mountain): I am not talking about the thirties. In conclusion I want to put on the record a clipping from the Estevan *Mercury* of February 1, 1950. I do not often read from newspapers, but as it is often done in this house, I presume it is in order for me to do so.

The article is headed "Farm prices down in 1949—First decline in ten years", and reads as follows:

Ottawa.—Canadian farm prices were down in 1949, the first decline in ten years. However, the general average still remained more than 2½ times higher than during the 1935-39 period. The bureau of statistics reported that farm prices of Canadian agricultural products dropped 1·3 per cent from the 1948 record high of 252·6 to 251·3. This index is based on 1935-39 equals 100.

Responsible for the over-all drop were declines in prices of grains, dairy products, potatoes, vegetables and furs. Increased prices of livestock, poultry and eggs, fruits, tobacco and maple products failed to make up the loss.

The regional picture showed that there were small increases in Ontario, Saskatchewan, Alberta and British Columbia. These were offset by decreases in the other provinces.

Here are the indexes for western provinces, with 1948 figures in brackets:

Manitoba, 251·9 (254·6); Saskatchewan, 239·4 239·3); Alberta, 257·2 (256·2); and British Columbia, 244 (238).

During December there were price decreases from December, 1948, in almost all commodities. Compared with last November, however, the prices for livestock and dairy products were higher, while potatoes, poultry and eggs were down. General indexes in all provinces were down from the same month a year earlier.

The bureau reported that lower grain prices were largely a result of government authorization of the wheat board to undertake marketing of western oats and barley delivered by producers during the 1949-50 crop year.

[Mr. Smith (Moose Mountain).]

Under this arrangement the wheat board pays to producers on delivery of these grains an initial payment only. Not included in present figures is the money which will later be paid to farmers in the form of participation payments.

The bureau gives a statistical review of farm price indexes dating back to 1935. The review shows a drop from 1938 to 1939 but yearly increases from then on, right up to 1948.

Here are the indexes for the last sixteen years:

1935— 88	1943—157·8
1936— 96·9	1944—172·4
1937—119·7	1945—184·2
1938—105	1946—200·8
1939— 91·8	1947—212·5
1940— 96·8	1948—252·6 (all-time high)
1941—110·2	1949—251·3
1942—133·1	

An hon. Member: Are you with us or against us?

Mr. Smith (Moose Mountain): I join with my friends in the opposition who have asked this government for contracts. They have said, however, that the government of the day had done nothing to get contracts. I should like any member in the opposition, or anywhere else in the house, to show me where the government of the day with regard to agricultural products have refused to sign a contract with any country in the world if they figured they were getting a fair deal for the farmer. If you can do that, I will sit down and never open my mouth again in this session. Well, no reply. It takes two to make a contract. I join with my friends in asking the government to get contracts; I cannot join with them, however, in their amendment to ask in one breath for a contract and in the other to tie that department down so that it cannot sign contracts. We know perfectly well that when a contract is made the Department of Agriculture must initiate it or must deal with the appropriate department of other countries and make that deal and the other country has something to say about the price. I am therefore not supporting the amendment.

Mr. A. C. Stewart (Yorkton): Mr. Speaker, it is not my intention to drag out this debate, as I think the sooner this matter is dealt with, either by a vote or otherwise, the better.

The other night the minister announced that the statute with which we are now dealing will run out on Thursday night. In addition to other things, the amendment proposes to throw out the statute. It proposes that this bill be not read a second time.

An hon. Member: Not now read.

Mr. Stewart (Yorkton): Yes, not now read, which means a hoist of the bill, and a killing of the bill.

Some hon. Members: No.

Mr. Stewart (Yorkton): Yes, it means a killing of the bill.

Some hon. Members: No.

Mr. Stewart (Yorkton): I am making my speech, and you can make yours later. I know how often we have heard from those one-and-a-half farmers in the C.C.F. during this session.

Mr. Bryce: What kind of a farmer are you?

Mr. Stewart (Yorkton): What is that?

Mr. Bryce: What kind of a farmer are we hearing from now?

Mr. Stewart (Yorkton): I will tell my hon. friend, if he wishes to know, that I was born in the west, before he ever saw it. In addition, let me say this, that I farmed four and a half sections of land, which I don't think he has ever done. And in addition to that I wish to say this, that when I took over that farm—

Mr. Speaker: I must ask hon. members to address the Chair.

Mr. Stewart (Yorkton): I wish to advise you that not only did I take over the weediest farm in the district in which I now live, a farm which I was told was hopeless, but that farm now has on it six happy families, and it is cleaned up.

In addition I wish to tell my hon. friend that I raised as many as two hundred head of Hereford cattle, and sold them; and that is more than he has done. And in addition to that I was in the delegation which came here to Ottawa to ask for prices from the government. I asked for dollar wheat, Mr. Speaker, but I did not see one C.C.F. member of parliament on either of those occasions. Some of them have wiggled over since we were through that. While we did not get dollar wheat, we got ninety cent wheat at that time.

To return to a discussion of the bill before the house, let me point out that section 9 of the act provides for the setting up of a board. That section provides that the board, subject to and in accordance with the regulations made by the governor in council, shall have authority—

(*a*) to prescribe from time to time, with the approval of the governor in council, prices at which the board may purchase agricultural products in the market;

(*b*) to purchase at such prices any agricultural product, if such product, on inspection, meets standards as to grade and quality prescribed by or under any act of the parliament of Canada . . .

(*c*) to pay to the producers of an agricultural product directly or through such agent as the board may determine the difference between a price prescribed by the board with the approval of the governor in council . . .

And then under section 10(2) there is provision for a revolving fund of $200 million of the money of the people of Canada to protect the producers. The act does not cover wheat, but it covers other farm products, under the authority of the governor in council, from time to time.

Now my hon. friends propose, in amendment, that the bill be not now read; and they go further and suggest that the government bring in a bill which would have the effect of guaranteeing to the producers a price-cost relationship. The mover of the amendment has suggested no prices; he has suggested no costs, except that certain years are taken. Those who support the amendment do not deal with any particular product.

As has been pointed out by the hon. member who preceded me, the government will have to deal with other countries, and it will have to deal with the Canadian consumer. It will have to make international deals, and otherwise; but in connection with certain products, it will have to deal chiefly with the Canadian consumer. From time to time those prices change, either up or down.

We do not know whether there will be another war; we do not know what will happen in connection with surpluses at any time. We do not know whether the British will buy more of our products. And I venture to say that if the government undertook for a term of years to accept prices which were not satisfactory during all those years, there would be another howl from members of the C.C.F. party in the House of Commons—and in no uncertain terms. The government has been fair, and so far as the farmers in my constituency are concerned, it has satisfied them.

I do not believe it is our duty when we come to the House of Commons merely to set up a whine to which the people of eastern Canada have to listen. We in the west do appreciate what the government of Canada has done. Particularly is that true in our dried-out area. We appreciate what has been done under P.F.A.A. and P.F.R.A. We believe that the farmers of Ontario, on the other hand, appreciate what the government has done in paying $20 million a year toward the freight on our coarse grains brought down here to feed their cattle and pigs. We believe they appreciate that. We are already getting certain benefits for our farmers from these actions.

When the hon. member for Calgary West (Mr. Smith) spoke last night I could not make out what he was driving at. However, I noticed that when he had made his speech he was applauded by members of the Progressive Conservative party; they and their leader applauded it.

Mr. Smith (Calgary West): So did the Minister of Agriculture, and others on the government side of the house.

Mr. Stewart (Yorkton): I do not think they did. This is what the hon. member said, as reported at page 1160 of *Hansard*:

I venture to make a suggestion which I think will be quite unpopular in the farming portion of the constituency in which I live. I am going to say now that I am quite content for another year.

So are we.

That may indicate how I shall vote.

I trust my friend will vote for the bill before the house.

I do think it is about time that this parliament ceased to be operated by pressure groups. The farm group is one of the most important, and the labour pressure group is the other group.

Then he went on to say this:

I am in favour of holding the prices support act, as called for in the bill. I think that if we quit playing with our economy, if we quit this patchwork business, and let our goods find their own level in world markets, the better it will be for Canada. I do not mean world markets of the kind we have established recently, for example, in coarse grains. I know that what I say now will be very unpopular with all those pools and farm organizations in western Canada, which have been operated on a basis of hatred for the Winnipeg grain exchange, hatred, selfishness—

And then he implies at the end of his speech that he is going to vote for the subamendment. Well, there is no subamendment; but there is an amendment. He says this—and I agree with him—

Why should we tie our prices in this agricultural matter to 1944-48? The answer is that it certainly suits the producers of farm products because it was in that period that, if we did not reach the peak, we reached a very high level. . . I support the idea of the extension of the Agricultural Prices Support Act.

That is the stand of my hon. friend.

Mr. Gardiner: He wishes to know whether the hon. member for Calgary West is going to vote for the amendment or for the bill.

Mr. Stewart (Yorkton): And I suggest that to carry out what the hon. member has so well expressed, in such eloquent language, he must support the bill before the house—because the amendment will do just the very reverse of what he was arguing.

Mr. Smith (Calgary West): If the amendment is defeated I will vote for the bill, of course I will.

Mr. Stewart (Yorkton): If you vote for the amendment you will kill the bill.

Mr. Drew: Nonsense.

Mr. Stewart (Yorkton): There has been quite a bit of dispute as to the matter of fixing prices. We heard considerable criticism of the speech delivered in Brantford by the Minister of Agriculture; but I venture to say that in making that speech, and in following it up, as he did, the Minister of Agriculture was largely responsible for selling 60 million pounds of our pork in Great Britain. They got it through at that rate. Now my friends turn round on the Minister of Agriculture and criticize him for the amount he is getting for that pork. I would point out that the taxpayers of Canada generally are subsidizing that sale of pork to the tune of $2,100,000. I believe the western farmers will appreciate that action. A total of 670 million pounds of pork is consumed in Canada, so another $23,500,000 will be paid by the consumers of Canada because of the increase in pork values the minister secured. Yet my friends argue that we are going to lose from the sale of wheat to Great Britain. Their prognostications there will again prove entirely incorrect.

There is a variety of views as to whether marketing should be conducted by the government and whether we should fix floor prices. I believe that those of us who come from western Canada are fairly unanimous that there should be floor prices for our farmers. We do not want to see the bottom drop out of prices; we want reasonable floor prices guaranteed so that there will be some stability to compensate for the sacrifices they made during the war and since in connection with prices. Some part of this burden should be borne by the general taxpayers who are not farmers.

The hon. member for Souris (Mr. Ross) keeps quoting the Searle Grain Company Limited, but this company outlined a plan in the issue of their publication of March 22, 1950, that agricultural products should be handled and marketed solely through the open market and the usual trade channels and that individual support prices should be fixed. This is the so-called Brannan plan. Consumers would have the benefit of purchasing at open market prices whenever such prices fell below the support prices, and farmers would receive a cheque direct from the treasury of Canada.

This plan was strongly supported by Mr. Chapman, president of the Montana farmers' union. On the other hand, Mr. Kline, president of the American farm bureau federation, vigorously opposed the Brannan plan. Then there are other gentlemen in the United States who have made other statements. Mr. Kline made another statement at Washington in which he said that he was definitely against any such plan.

On the other hand we hear certain commendation of the policy followed by the Minister of Agriculture and which apparently meets with the satisfaction of the farmers of my constituency. I should like to quote what

was said by the president of the Canadian Federation of Agriculture at the convention recently held in Niagara Falls, and I quote:

During the past seven or eight years, the present agricultural program has been evolved between the federation of agriculture and its member bodies on the one hand, and the Minister of Agriculture representing the dominion government on the other. Canadian farmers have greatly appreciated this co-operative arrangement and the mutual understanding and confidence which it engendered.

The understanding, however, which farmers across Canada had of this program is that it was to cover both the war and post-war periods.

It has for a period of four or five years since the war. That is the commendation of the head of the Canadian Federation of Agriculture. There is in our province a gentleman who is greatly respected by farmers of all political stripes. Dr. Hedley Auld, in summarizing the matter in January of this year, said this:

Figures given to the agricultural production conference held in Ottawa in mid-December showed that the United Kingdom can buy bacon from Ireland, Denmark and Poland for a fraction less than 31 cents per pound, then 36 cents in Canada; that cheese is available from New Zealand for less than 22 cents and from Australia for 19·2 cents per pound, compared with 30 in Canada; that these countries also have butter at 34·7 and 34·5 cents respectively, whereas our price is pegged at 58 cents; that Denmark's eggs are priced at 30·8 cents per dozen—

And again:

It would seem, therefore, that Canada cannot hope to retain an important share of the British food market unless and until our prices are brought more closely into line with those of competing exporting countries and exchange problems are more satisfactorily resolved.

Meanwhile, recent Ottawa dispatches indicate that cabinet ministers are not in agreement as to how much support should be given to farm prices through the Agricultural Prices Support Act. It should be clear that food prices cannot be maintained at their present levels. To do this would require state aid to farmers on a scale without precedent. But a policy of unsupported prices would surely invite a depression which would be most unpleasant, and it is improbable that many would solicit a return to the thirties.

I think his further remarks are significant because they indicate an unbiased opinion. He continues:

Her willingness to buy Canadian bacon and other products from Canada now and to defer acceptance of a corresponding value in terms of wheat is a concession which may be very useful to us in stabilizing values of other Canadian farm products in 1950.

Incidentally, it is my understanding that if the 1946 wheat agreement had not been made when it was drawn it would have been impossible to negotiate it at any later date. And without the wheat agreement of 1946 there would have been no Anglo-Canadian agreements for meat and cheese in 1948 and 1949. And without such agreements and with so many farm products of the United States declared "surplus," the problems connected with the marketing of Canadian food surpluses could easily have arisen a year or two earlier.

That is the opinion of an unbiased gentleman who has retired from public life. It is idle for hon. members of this house, such as the hon. member for Souris, to compare conditions in Canada with those in the United States where their home consumption is much heavier. It is idle for the Scotsman from Manitoba—I forgot his name—to contend that we should be compared with Great Britain, that they have a stabilized market over there for their farmers. Everything produced in Great Britain is consumed there and when you consume everything in your own country it is a simple thing to stabilize prices to the consumer and to everybody else.

I do not intend to speak at any great length except to say that my friends to your furthest left, the one and a half farmers, have been talking and talking in this house until some of us are getting tired listening. You would think that they had all the farmers on their side of this legislature. We have past presidents of rural municipalities, we have a number of former reeves who were in municipal life for many years, and we have farmers from Ontario and all the other provinces of Canada. On the Liberal side of the house there are more farmers than in all the rest of the house.

Mr. Homuth: How many farmers are in the cabinet?

Mr. Stewart (Yorkton): After all, the cabinet listens to the private members. In answer to the hon. member and his leader may I say that we are not rubber stamps. I have never been told yet how to vote in this house and I have never yet heard of a Liberal who has been told how to vote. In answer to my hon. friend I want to say that if there are any rubber stamps in this house they are to be found in his party. When we were dealing with the pipe-line bill I can remember how his leader waved the old flag and wrapped himself in it and then each and every one of the Conservative party got a little flag and was waving it. No truck and trade with the Yankees.

Mr. Homuth: My hon. friend is not a rubber stamp because a rubber stamp at least makes an impression.

Mr. Stewart (Yorkton): C.C.F. representations have been made to the government and no doubt the government will listen, but I trust that the government will also listen to the representations that have been made by the many Liberals who represent farmers in this house. We had the experiment of a socialist government in New Zealand. I was there ten or eleven years ago shortly after their Labour government was formed. I have heard from a minister of

that government every year since I have been there, and if you check the history of that government you will see that all it did for the farmers of that country was to practically crucify them. It was the farmers and the liberal-minded people of the towns and cities of New Zealand who kicked out the Labour government the other day. They decided that they had had enough of taking farm prices, putting them in the general pot, and spending them on somebody else. We do not want too much government control in Canada. We want fair prices for our farmers. Western Liberals have been fighting for that for thirty years, and we are going to try to see that we get it. If we do not get it from the government, the carpings and wailings of my friends to the left will never stir any government to give them anything.

Mr. J. G. Diefenbaker (Lake Centre): I shall not endeavour to follow the hon. member for Yorkton (Mr. Stewart)—

An hon. Member: Nobody could.

Mr. Diefenbaker: —in the address he has delivered, but he interested me when he spoke of the number of farmers in the Liberal party and of the high positions they have occupied. If I did try to compete with him I might point out that the hon. member for Brant-Wentworth (Mr. Charlton) was vice-president of the Canadian Federation of Agriculture at one time, and that the hon. member for Souris (Mr. Ross) was president of the rural municipalities association of the province of Manitoba. Therefore they are both at least as qualified as the hon. member for Yorkton and myself to speak on this question.

Mr. Sinclair: A couple of barefoot boys.

Mr. Sinnott: How many more have you got?

Mr. Diefenbaker: The Progressive Conservative party has consistently supported the legislation first introduced in 1944 known as an act for the support of the prices of agricultural products during the transition from war to peace. We have continued to support that legislation. Mention has been made of the amendment and the effect it will have on the legislation. I cannot follow my hon. friend in his argument as to its effect. The amendment reads:

> That Bill No. 17 be not now read a second time but that it be resolved that in the opinion of this house consideration should be given to the introducing of legislation to amend the Agricultural Prices Support Act so as to provide that floor prices should be established at such levels as to guarantee to producers a price-cost relationship not less favourable than that prevailing in the period 1944-48.

There would be no delay in connection with the bill. If a meeting of the agriculture committee were convened today under the chairmanship of the hon. member for The Battlefords (Mr. Bater), with the efficiency that he brings to bear in the discharge of his responsibilities as chairman, it would not take that committee very long to arrive at a conclusion on this matter and bring the bill back into the house as directed in the amendment. For years we of the Progressive Conservative party have been advocating the establishment of parity prices. In April, 1941, I moved a resolution on one occasion in the house for the establishment of parity prices.

In his argument the hon. member for Yorkton quoted certain persons as authorities for the propositions he advanced. I am glad he did because he established in advance the authority of those from whom I intend to quote. He mentioned in particular the president of the Canadian Federation of Agriculture, Mr. Hannam. I accept him as an authority just as the hon. member for Yorkton did. In the *Free Press Weekly Prairie Farmer* Mr. Hannam had this to say about the agricultural situation:

> . . . Canadian farmers face a worse market outlook now than farmers of any other country.

He went on to set out the supporting facts. At the moment I am not placing the responsibility. I realize quite well that when the British minister of food was in Canada in 1947 he indicated that Great Britain would continue to buy Canada's food products, but I say that Mr. Hannam has stated the position of Canadian farmers generally. He pointed out the need of the establishment of parity prices. I should like to read a supporting excerpt from the *Rural Co-Operator* of February 28 last:

> Farmers, in their prices support recommendations, are not asking the government to maintain farm prices at peak levels.

The article goes on to quote Mr. Hannam as follows:

> "In its recent brief to the federal cabinet, the Canadian federation of agriculture asked that certain farm prices be maintained at December, 1949, levels, but these were certainly not peak prices" . . .

In quoting that excerpt, I realize that someone will say that the amendment covers the period from 1944 to 1948, and that there was in fact some decrease in farm prices during the year 1949. In any event, when the president of the Canadian Federation of Agriculture submitted his brief he asked for a parity price and he stated:

> . . . the level of returns to farmers in 1949 was substantially lower than in the peak year of 1948 because of a 30 per cent increase in freight rates and increased feed costs. Costs are still at 1949 levels . . . farmers, who went down one step in the level of their returns in 1949, had to suffer another

and more serious step downward in 1950 with the reduced prices which resulted from loss or reduction of markets.

I shall support the amendment. I am in entire agreement with the hon. member for Yorkton in his attitude towards applied socialism; I have taken that stand in this house from the very beginning. But the amendment submitted by the C.C.F. party is not socialism; it is salvation for Canadian farmers because the situation is such that if the level of prices as fixed under the Agricultural Prices Support Act is a level that is below the costs of production then in reality such a floor level will be of no assistance to the Canadian farmer.

I realize the difficulties in fixing a floor price level because if the level is fixed too high, too great a contribution will have to be made out of the $200 million revolving fund. On the other hand, if the floor price is down in the basement, so far as price levels are concerned, then the legislation will be of no benefit whatsoever. On a matter such as this I should like to see the minister give members on his own side of the house the freedom to vote as they wish. I am not saying that any direction is given or that any member in this house is under pressure by an alleged farm bloc or any other bloc; but I do feel that this amendment represents what Canadian farmers in all parts of this country are asking for. Indeed, during the election campaign the question of price supports was discussed, and over and over the attitude of those supporting the government was stated to be that the price level should be maintained on a parity basis. I have the quotations which I could read if necessary. I intend to support this amendment.

It has been stated that this legislation must be passed before Thursday evening. No one wants it to fail, or to die by the efflux of time, but surely the house has a right to discuss this matter, even though it has been introduced within the dying days of the period during which it is in force.

Mr. Stewart (Yorkton): Could not the group with which you associate have introduced a resolution earlier in the session, and left the act alone? And can you assure the house that the Senate, through your friend Haig, will pass this?

Mr. Diefenbaker: What was the last part of the question?

Mr. Stewart (Yorkton): Whether the other man in the other place will pass this.

Mr. Diefenbaker: I do not know who the other man in the other place is.

An hon. Member: You should.

Mr. Diefenbaker: I am not a mind-reader. I do not enter any controversy with my hon. friend on this, and he knows that under the rules only a member of the cabinet can introduce a resolution which would result in the expenditure of money. That is why something along this line has not been introduced by a private member. That is why various other matters to which I might make reference, such as the removal of the means test for old age pensioners, have not been introduced in the same way. If private members had the right to introduce such measures that one, in any event, would have passed this house. I am sure that if private members had the right to introduce a resolution providing for establishing parity prices it would have been done, and farmer members in all parts of the house would have given it their support. I appreciate that the minister will say this is a vote of want of confidence.

Mr. Gardiner: I am not going to say anything about it. Hon. members have enough sense to vote the right way.

Mr. Diefenbaker: If the minister will go that far, that is fine. Having enough sense for that, will he go further and say to those on the Liberal side of the house that they may vote on this matter as they will, instead of regarding the amendment as a want of confidence?

Mr. Ross (Souris): Follow the example of the Minister of Trade and Commerce (Mr. Howe) in connection with coarse grains.

Mr. Diefenbaker: Our farmers everywhere, fearful of the situation, fearful of the prospects, fearful because of world conditions generally, are asking that they be protected against the danger of falling prices. In recent years we have learned what we did not know in the 1930's, or in 1928 or 1929. It is only within the last few years that nations everywhere have been bringing in legislation to provide against depression in farm prices.

I now bring to your attention, Mr. Speaker, a resolution which was adopted at a meeting of farmers in the county of Grey on January 26 of this year. They stressed the need for parity prices in these words:

That this body of representative Grey county farmers respectfully but emphatically urge the Canadian government to provide floor prices for farm products that will maintain returns to the farmer at least equal to 1949 levels until such time as other commodities, services and labour decline proportionately . . .

That was a meeting attended by farmers of all political beliefs; and they asked something more, which I believe deserves consideration by the government:

. . . or until such time as a royal commission has made a thorough study and report on parity reward in the various fields of service to our national well being.

The suggestion for the setting up of such a royal commission has been made in other provinces as well, and indicates a desire on the part of the farmers to secure the best possible information on the problem. The hon. member for Yorkton (Mr. Stewart) made a very good plea on behalf of western members, when he said that we appreciate what the people in other parts of Canada have done for the west. I join with him in that statement. Over the years I have said in this house that membership here for a few months or a few years will convince anyone that there is not an east and a west operating against each other, and that we in western Canada owe much to the willing, benevolent assistance that has been given by eastern members in helping meet the problems of the west.

The farm price problem is serious, and requires all the thoughtful consideration we can give it. I believe the government should give some assurance that in the establishment of floor prices parity will be given paramount emphasis. On the one hand we have surpluses, while on the other side of the equation there is a demand for greater production in order to increase the world food supply. The minister was recently at Washington attending a meeting of the international agricultural organization where, with statesmen from other parts of the world, an endeavour was made to arrive at some formula for the distribution of commodities. No final decision was reached. Having regard to the fact that food is as essential in an over-all national defence program as the production of munitions, we in this house should do all we can to maintain price levels which will assure our farmers fair and proper returns.

The world situation today demands food, and economists are pointing out that, even at the rate food production is increasing, in fifty years there will be world chaos, for production will be exceeded greatly by needs. Food is needed to meet the conditions prevailing in countries which are ripe for communism. Food is pre-eminent as an antidote to communism. We must maintain our food production factory in this country, and I believe the government should give every consideration to the acceptance of this amendment, which is in reality but a suggested improvement of the present legislation. With food prices facing continuing reductions; when Marshall funds are no longer available for the purchase of Canadian agricultural products; with surpluses of farm products piling up in the United States; the problem of disposing of Canada's farm products becomes serious and challenging.

[Mr. Diefenbaker.]

Mr. J. H. Harrison (Meadow Lake): I think I would be remiss in my duty, Mr. Speaker, if I did not make my position clear on this bill, especially in view of the remarks made by the member for Lake Centre (Mr. Diefenbaker). He has suggested that we might be under some form of coercion, and not in a position to use our own judgment as to how we should vote on this bill. That being the case, I should like to say that, personally, I have never been told to vote in one direction or the other since I came to this house. I doubt very much if any other member on this side of the house has had any different experience.

This amendment moved by the C.C.F. party is one which I am definitely going to vote against. I shall tell you why. It is nothing more or less than a pie-in-the-sky amendment. It is quite similar to the amendment the C.C.F. party moved in connection with old age pensions, which was described by the member for Moose Jaw (Mr. Thatcher), one of their own members, as a pie-in-the-sky measure. It was for that reason he did not vote for it.

Mr. Johnston: What do you mean by "pie-in the-sky"?

Mr. Harrison: All that I know, sir, is that the C.C.F. party in the province of Saskatchewan has become synonymous with measures of this kind, and they have been described in that manner. Possibly I could give you an illustration. I have before me a copy of *Votes and Proceedings* of the legislative assembly of Saskatchewan. As hon. members are aware, when these gentlemen bid for power in 1944 they suggested a pension of $50 per month. In this house, the C.C.F. members have suggested that we eliminate the means test.

Mr. Johnston: Would $50 per month be pie-in-the-sky?

Mr. Harrison: It was at that time. It may not be considered so today, but it has not come to pass in any event. There is some difference however—

Mr. Knowles: On a point of order, Mr. Speaker, will I be permitted to take part in this debate, and discuss old age pensions?

The Acting Speaker (Mr. Beaudoin): I think it should be clear to all hon. members that their remarks must be directed to the bill under discussion.

Mr. Harrison: I bow to your ruling, Mr. Speaker, but I was merely giving the gentleman an illustration for which he had asked. May I be allowed to continue on that basis, and give it as an illustration? I think it has a bearing on the question the hon. member asked.

Mr. Knowles: Order.

Mr. Harrison: *Votes and Proceedings* of March 21, 1950, of the province of Saskatchewan—

Mr. Knowles: Order.

Mr. Harrison: —states as follows:

The debate continuing, in amendment thereto, it was moved by Mr. Danielson, seconded by Mr. Tucker, that all the words after "that" be deleted and the following substituted therefor:

This assembly regrets the failure by the government—

That is the Saskatchewan government.

—to give due consideration to payment by the province of the supplementary—

That is the $2.50 supplementary.

—old age pension allowance without a means test.

Mr. Knowles: Mr. Speaker, I have no objection to this matter being discussed, if I can do it too.

The Acting Speaker (Mr. Beaudoin): I am sorry, but I have to call the hon. member to order. He is not allowed to discuss old age pensions on this bill, nor on this amendment. I should like him to address his remarks to the chair.

Mr. Harrison: Perhaps I could explain my position on this act by quoting the following editorial which appeared in the Saskatoon *Star-Phoenix* of March 25, 1950. It reads as follows:

We must recognize at once that the floor price plan is not an income guarantee for all farmers. There is no intention in the act of setting up a system whereby every farmer in Canada will be able to sell his produce at a profit irrespective of the market demand. This is not a parity price scheme, or even a Brannan plan, as farmers have in the United States. It is rather, the establishment of a minimum price system to prevent the repetition of the sort of situation we had in the 1930's when farm prices went to ruinously low levels.

At another point, the article continues:

The government will be accountable to farmers and consumers alike for the floors it sets. This will certainly not result in any "scientific" set of floor prices, but it will probably mean in practice a reasonable compromise between the producer and the consumer at a time when the ordinary machinery of the market breaks down for any one or a number of reasons.

We avoid this way the inflexibility of the parity price system—

That is the main objection I have to the amendment advanced by the C.C.F.; it is too inflexible a system. It will bring about the same set-up as there is now in the United States, where they have these parity prices. The price set is such that it is conducive to the extra growing of products that are already in surplus.

I continue to quote from the article:

This inflexible system is threatened today because it is encouraging overproduction in some lines at vast expense to the taxpayer and the consumer.

If we set up such a system, that is exactly what would happen. We would not be able to continue it. It is doubtful if even the great country to the south of us, with all its monetary resources, will be able to continue a system of this sort. Certainly, we could not offer our farmers in the west the same sort of pie-in-the-sky system they have in the United States. It is not feasible.

The article states:

It is a question of how long this policy can survive, even in so wealthy a country as the United States. We should be in for no end of trouble in Canada if we tried a similar policy and we think a majority of farmers know a Canadian parity golden goose would soon be expendable.

The Canadian floor price plan, as announced in the house, does not offer the Canadian farmer permanent agricultural prosperity. What it does offer him, we hope, is relief from the fear that he will be wiped out as a producer in times of adversity. If we can get this distinction clearly fixed in our minds now, we shall avoid a lot of trouble and discontent when the policy may have to be invoked in the future.

That is what our friends have been very good at, stirring up trouble and discontent. Possibly that is their idea in moving this amendment. I wanted to make my position clear and I am definitely going to vote against the amendment and for the bill.

Mr. Robert Fair (Battle River): I am not sure whether it is safe for me to get into what is apparently a private Saskatchewan fight. There are people in the other parts of Canada who have to live off the land, however, and I think it is only right I should say a few words on this measure. When speaking on the resolution, I stated we were in favour of the prices support legislation. We have supported it from the beginning. I also stated at that time we were quite concerned about where the floor would be set. I am glad that this amendment has been moved by the member for Assiniboia (Mr. Argue) because that will give us an opportunity of expressing our opinion as to where the floor should be.

I was rather amused by the argument advanced by the member for Yorkton (Mr. Stewart). When he was speaking, I could not help thinking of the old man who had been in politics all his life and was coaching a young protégé the art of debating. He said, "When your argument is weak, yell as loud as you can". That is exactly what the member for Yorkton was doing. I do not think we can take much notice of the argument he placed before us. As I stated before, we are supporting the price legislation and we shall also support the amendment that has been moved by the C.C.F. organization. I do not want

to have the benefits of the price legislation given to us as indicated by the Montreal *Star* in which there is an article entitled "The legal way" and which describes the way the lawyers do it. The article reads as follows:

> When a man gives you an orange, he simply says: "Have an orange." But when the transaction is entrusted to a lawyer, he adopts this form:
>
> "I hereby give and convey to you, all and singular, my estate and interests, right, title, claim and advantages of and in said orange, together with all its rind, juice, pulp and pips and all rights and advantages therein with full power to bite, cut, suck and otherwise to eat the same or give the same away with or without the rind, skin, juice, pulp and pips, anything hereinbefore or hereinafter or in any other means or whatever nature or kind whatsoever to the contrary in any wise notwithstanding."
>
> Later on, another lawyer comes along and takes it away from you.

Mr. Knowles: Stare decisis.

Mr. Fair: I do not want the advantages of the prices support act given to us in that manner. I am quite satisfied that the farmers of Canada are entitled to this prices support legislation. We have been told by the Minister of Agriculture (Mr. Gardiner), who should know, and who does know, that during the war years the farmers accepted prices far below levels to which they were entitled. This price legislation is simply giving us some of the protection that we have bought at a high premium during the war years. There is no reason in the world why the farmers of Canada should not be entitled to the same protective legislation as is being given to other industrial and occupational groups. The farmer is now paying costs of production which are as high as those in any other period over the past number of years, while we see the prices of our products dropping. There is no reason in the world why some legislation should not be passed to protect the farming industry; because if the farmers are placed back again in the poverty line, as they have been in many years in the past, then the whole economy of Canada must suffer.

Mr. T. J. Kickham (Kings): I shall take only a few minutes of the time of the house, Mr. Speaker. I am glad that it is the intention of the government to make the Agricultural Prices Support Act permanent, as indicated by the legislation which is now before us. I think this act has already proven its worth in supporting the price of eggs and butter. I am, however, greatly puzzled as to why the act has not been implemented with regard to our potato surplus in Prince Edward Island and in the maritime provinces. In our province—and I expect the same is true with regard to Nova Scotia and New Brunswick—we are selling our potato stock for thirty-five cents a bushel and our seed for from forty cents to forty-five cents a bushel, which is about sixty-five cents below the cost of production. As I believe was stated by the Minister of Agriculture (Mr. Gardiner) when he first spoke on this bill, the purpose of the act was to reimburse farmers for selling below the cost of production. When we sell potatoes for thirty-five cents and forty cents a bushel, we are selling below the cost of production to the extent of sixty-five cents or seventy cents per bushel.

There is one thing to which I wish to call the minister's attention. A few years ago—I believe it was in the year 1944 or 1945; I am subject to correction on the year but it is immaterial for the purpose of what I am going to say—through the Department of Agriculture an embargo was imposed on our shipping seed potatoes from Prince Edward Island until the minister and the government were satisfied that the requirements of all the other provinces of Canada were satisfied. The Department of Agriculture erred to the extent that when the market for seed potatoes ceased to exist in the United States we found that we had still on hand in Prince Edward Island a large surplus of seed potatoes, which we had then to convert from one hundred pound bags into seventy-five pound bags. As a result, the loss incurred by both growers and shippers was considerable. More than that, at that time we could have shipped potatoes to the United States markets for from $1.75 to $2 per bushel, while the average price in the Canadian provinces ranged from $1.25 to $1.50. In all, we took a licking of about $400 per car.

Many representations have been made to the minister in the past two or three months requesting a support price, but apparently there is not going to be any support price in the maritime provinces. I could give the number of carloadings that I just received from our director of transportation.

To digress for a moment, I wish to say that the Minister of Transport (Mr. Chevrier) has been given great credit for the supply of cars he has put into Prince Edward Island each day. I believe there was an increase of something over 1,151 cars of potatoes and turnips shipped by rail up to March 22 this year, a considerable increase over last year. For the minister of industry and natural resources and the director of transportation for Prince Edward Island, I wish to extend our most hearty thanks to the Minister of Transport.

I think that the amendment proposed by the opposition looks to be a reasonable one, for this reason. The years from 1944-48 should be a reasonable period on which to

base farm prices because I think we were then subject to ceilings. It is therefore my intention to vote for the amendment.

Mr. Donald M. Fleming (Eglinton): May I say, Mr. Speaker, that in offering a brief contribution to the debate this afternoon, I do not think there is any occasion for the representative of an urban constituency to apologize for participating in a debate of this nature. I for one have always contended that the well-being and prosperity of agriculture is a matter of the first importance to the urban dwellers of this country. There cannot be any lasting or secure prosperity for the city dweller unless the farmer of this country enjoys security and prosperity as well.

There are good reasons, it seems to me, why representatives of all constituencies, whether urban, rural or mixed, should give support to the present bill. One has only to look back over the events of recent years to find ample justification, it seems to me, for supporting the measure. The fact is undeniable that the farmers of this country in those years did not receive for their products the prices they would have brought had there not been control of the sale of their products and ceilings on their prices. Now, when a time has come when markets are shrivelling and the outlook for the Canadian agriculturist is not nearly as bright as it has been in recent years, it is only right and fair that the Canadian agriculturist should say to all Canadians: "During the war and these post-war years I bore an especially heavy share of the load. Is it not fair that measures should be taken to equalize the distribution of the load?" We of the Progressive Conservative party had a good deal to say about this in connection with some of the contracts entered into with the United Kingdom. Much was said about it by this party in connection with the wheat agreement. We pointed out that, when the Canadian wheat farmer was called upon to market his wheat in the United Kingdom at prices then substantially below the prices his wheat would have brought in the open market, it was only right and fair that the burden of those contracts should be distributed equitably over the whole Canadian population, and not placed exclusively upon the back of the Canadian wheat farmer.

As I understand it, this measure seeks to bring to the farmers of this country a measure of equalization of burdens when, in recent years, they have been called upon to bear more than their fair share of the load.

The removal of the time limit in the bill calls to mind the full title of the statute. The bill to which we now refer as the Agricultural Prices Support Act was, as hon. members will recall, entitled "an act for the support of the prices of agricultural products during the transition from war to peace." It may be that the time has come to reconsider the full title of the bill, because I for one have the impression that, whatever may be said about the period of transition, it may not be possible to limit measures of this kind to what may be called a purely transitional period, because the remedying of the injustices of times past or, if you like, the equalization of a load unfairly borne in times past, may not be completely adjusted within what may be strictly called the period of transition.

There is one other matter I should like to mention in what I have promised to be only a brief participation in this debate. Prices, markets, sales and contracts are all inextricably interwoven, as must be apparent to anyone listening to this debate. That leads me to comment that it was with some consternation that I read this statement which appeared in a publication of the federal Department of Agriculture's marketing service. This document is published under the authority of the Minister of Agriculture, and purports to be the "Egg and Poultry Market Report of March 10, 1950". The article is headed in big, black, bold characters, "Poland, like Eire, points the way," and bears the further heading, "Central egg export agency established to handle all egg exports". Then this publication, issued under the authority of the Minister of Agriculture, proceeds to say:

> Comprising all private and co-operative exporters and carlot shippers.
>
> A recent government report "Polish Food Exports" tells how the economic reconstruction of Poland is being built on export trade.
>
> Sales efforts in eggs are being directed toward Germany, Czechoslovakia, Austria, Switzerland, Italy, Palestine as well as England.
>
> South American countries are also being approached in their season of short supply.
>
> A new system of country egg receiving and grading stations is being established and new cold storages erected in Poland.
>
> Egg breaking and market poultry processing and grading are being developed along modern lines.
>
> Remarkable the progress that can be made when an industry adopts an energetic export program.
>
> A program so organized that the producer may also share in the increment from that trade.

And this page concludes with these words in bold type:

> Developments in other countries are worth watching.
>
> To lead is better than to follow.

I have a comment to make about this kind of publication. I am shocked to find that in a publication issued by the dominion Department of Agriculture the farmers of this country, and particularly the egg and poultry

producers, are being told that Poland is the country that leads the way, and that this country should model its pricing and marketing policies on those of Poland. I do not think that does justice to the intelligence of the farmers of Canada. Why should the methods of a country under a totalitarian regime be held up to the farmers of Canada as the kind of lead they should follow? I am shocked to find this in a publication issued under the authority of the Minister of Agriculture. I say, Mr. Speaker, that whoever is responsible for writing material of this kind, which appears in a publication issued at the expense of the taxpayers of Canada and under the authority of the minister, must have had a very undue appreciation of and liking for the totalitarian methods of the regime which prevails in Poland today.

It seems to me that Poland is not the kind of country that we should be looking to when we seek a lead in methods to be followed so as to bring justice and fair play to the Canadian farmer.

Mr. A. E. Dewar (Qu'Appelle): Mr. Speaker, having listened to one more agricultural expert across the way I think probably I had better make a few remarks in this debate. What I shall say first will not be received any too well by hon. members on this side of the house, although it may be received favourably by hon. members opposite. I am going to support the amendment—

Some hon. Members: Hear, hear.

Mr. Dewar: —but only in principle, because I feel the principle embodied in the amendment is already in the bill.

Last evening our good friend from Springfield (Mr. Sinnott) spoke about wanting to give steers a fair deal. I wish to be on record with him in seeing that those steers get a fair deal. Then the hon. member for Prince Edward-Lennox (Mr. Tustin) said that something should be done in connection with beans. Those who follow the comics, particularly Li'l Abner, will recall that lately that great detective, Fearless Fosdick, has been shooting everyone who eats beans. Probably that is the reason for the fall in the price of beans.

Let me refer briefly to the British market, about which much has been said. As I said in my speech one month ago today, by the calendar, or a period of twenty-eight days, the British people are going to buy where they can buy the cheapest. The holding of the British market is something which will be decided by the people in Great Britain. They and they alone will say, because they are going to buy where they can buy the cheapest.

We in Canada must consider that, when we talk about floor prices and the prices we are going to fix for our products.

In addition to that the hon. member for Rosetown-Biggar (Mr. Coldwell), whom I respect in many ways, has argued that Great Britain fixes the prices on all her goods. I can understand that, because only a very small fraction of the food consumed in Great Britain is produced there. Anyone who stops to think will understand that the condition over there bears no relationship whatever to the conditions we face, when it is realized that primarily we are exporters and that they are consumers. His argument that they fix prices months or years in advance has no relationship to what we should or should not get in Canada.

Another hon. member said that there has been a great increase in the farm stock population of Great Britain. He has pointed out that they have 500,000 more cattle, two million more hens and 10,000 more sheep. Perhaps the fact that Great Britain has embarked upon this program of self-sufficiency, to serve her purposes—not Canada's—is the reason why some of the less popular products in Canada are not finding their way to the British market.

Last night the hon. member for Calgary West (Mr. Smith) suggested that our pools constituted a pressure group. I said in my speech of a month ago, and I am going to say it again, that I fought against the pools probably more than all other members combined. There was no greater exponent or so-called authority on open market operations than the man who is speaking at the moment. But pursuing my thoughts, pursuing my studies and realizing the drift toward statism or nationalism, where the government takes control and operates these things, I came to realize that the quicker we wakened to the value of these pool organizations and co-operatives, the quicker we would get to a sound basis of operations. No hon. member of this house, particularly one coming from western Canada, should cast reflection upon the pools. If he does he has no business sitting in this house.

I repeat that I used to be very bitter about the pools and co-operatives, but I hope the Minister of Agriculture and the government listen to what the pools have to say. They are made up of farmers who are intelligent even though some of our opponents suggest that they are asking for sky-high prices. I had the pleasure during the Christmas recess of meeting a considerable number of farmers, and I went west shortly before the house opened. Of all the people I talked with in organized groups in the small communities

there was only one who said that he wanted the price of wheat for 1950-51 to remain at the present level.

Our farmers realize the position of the consumers of Canada. The prices of hogs, cattle, bacon, eggs and other commodities are related closely to the price of wheat. They always have been and they always will be. If my hon. friends in the little groups to your left are sincere in their plea for labour and the labouring man they will not ask that prices be kept at their present high position. They will try to get them more in line.

One hon. member has said that the farmer in western Canada has been crippled. I said during the election, and I say it again, that if the farmers of western Canada have been crippled I hope that this government goes on crippling them because they have been crippled in a very fine way. If hon. members will take the trouble to look up the statistics issued by the bureau of statistics they will find that a greater percentage of farmers retire each year than any other industrial or business group in the Dominion of Canada.

I am not suggesting for a minute that the farmers should take lower prices at once, but I do suggest that the time has come when we have to level off. We have heard a lot of hogwash about the price of eggs. I came to Ottawa last fall and I think my family are in a position where we can pay 75 or 80 cents a dozen for eggs, but there must be 50,000 families in this area who cannot pay that price. The price was entirely out of line. At the same time, when the control was taken off the price got out of line again. I suggested, and I think rightly, that our government use their heads and let this thing kick around a bit. We do not want to price commodities out of the consumer's hands; we want the man on the street, the man on salary, to be able to afford to buy and enjoy some eggs.

As I said when I opened my remarks, I support the amendment, but in principle only. Therefore when I vote I am going to vote against the amendment, and when the bill comes to a vote I am going to vote for the bill.

Mr. A. J. Brooks (Royal): Mr. Speaker, it is not my intention to take much time but I would like to say that I intend to vote for the amendment. I am not like the hon. member who has just taken his seat who says he has certain principles but who intends to vote against them.

Mr. Dewar: Those are the tactics you fellows employ in connection with everything that comes up in the house. You say you are for it in principle, but you vote against it.

Mr. Brooks: I am not an expert like the hon. member who has just sat down, but I am interested in agriculture because I represent one of the best agricultural constituencies in the maritime provinces. I am very much in favour of the prices support act as I hope it will be amended.

We have heard a great deal in this house about wheat. I was interested in hearing the hon. member for Yorkton (Mr. Stewart) speak this afternoon about wheat. I have been here for fifteen years and during that period, I venture to say, in the discussions on agriculture in this house the question of wheat has taken up ninety per cent of the time. Wheat is very important to the economy of this country and I am not surprised that considerable time is taken up in discussing it.

Canada has spent a great many dollars to support the wheat farmers in the west, despite what the wheat farmers in this house may say. Anyone who will go back over the records of the past fifteen years will find that to be a fact. My constituency is largely a dairying constituency and prices support for our products will be welcome indeed. The Saint John river valley is fast becoming an apple producing section and we are very proud of our apple production. I hope that this industry will receive all the encouragement that is necessary.

I was interested in the remarks of the hon. member for Kings (Mr. Kickham), who indicates that he is ready to vote according to what he considers to be his principles. He stood up in the house this afternoon and said that he thought this amendment was good for the farmers of Prince Edward Island. It is good for the potato producers of Prince Edward Island and for the farmers of all the maritime provinces. I hope that other Liberal members from the maritime provinces will follow the example of the hon. member for Kings and vote in support of this amendment and in support of their constituents.

There is some doubt as to just what is the situation with regard to potatoes in my province and in Prince Edward Island. A short time ago Mr. Duffie of New Brunswick arrived in Ottawa to consult with the Minister of Agriculture (Mr. Gardiner) and Mr. J. G. Taggart, head of the agricultural prices support board. When that gentleman left Ottawa he was under certain impressions which he had obtained from the minister. If the minister would not mind paying attention for a minute I should like to ask him a few questions. The Saint John *Telegraph-Journal* of March 21, in dealing with Mr.

Duffie's report to the Grand Falls, New Brunswick, potato growers, had this to say:

As explained by Mr. Duffie, the co-operative would enter contracts with individual growers at planting time to purchase their potatoes at a set price. The co-operative would also enter into a contract with the federal government providing for what amounts to a floor price for the potatoes sold by the members to the co-operative. The co-operative would also set up a selling agency, which could be an existing organization, a new organization or a provincial marketing board.

The grower would know at planting time what the minimum price would be for his crop and could get advances on his crop.

According to the statement of Mr. Duffie after talking with the Minister of Agriculture (Mr. Gardiner), the grower would know at planting time what the minimum price would be for his crop.

Mr. Gardiner: I am not sure whether the hon. member was in the house the other night when the hon. member for Victoria-Carleton (Mr. Hatfield) raised the question and read the same article, I believe. I pointed out to him that what Mr. Duffie discussed with me was the act of 1939 and how it could be applied. That is exactly what he is dealing with there, the terms of the act of 1939.

Mr. Brooks: The article says that it was discussed with the Minister of Agriculture and Mr. Taggart, the head of the agricultural prices support board.

Mr. Gardiner: Mr. Taggart is the deputy minister of agriculture, and he is not the head of the agricultural prices support board. The head of it is Mr. Shaw.

Mr. Brooks: I think we will have to send somebody else in place of Mr. Duffie to consult with the minister because either Mr. Duffie is wrong or the minister is wrong. Anyway, he gave the impression to the potato growers of New Brunswick that, as stated here:

The grower would know at planting time what the minimum price would be for his crop and could get advances on his crop. The government would determine the minimum price, in consultation with the co-operative organization, and the minimum would not exceed 80 per cent of the previous three years' sale price.

That is so much in line with the amendment that has been moved in the house that I am satisfied it is at least what the potato producers of the maritime provinces expect, and what they believe they were told by the Minister of Agriculture when this delegation—

Mr. Gardiner: If I may be permitted to interrupt, I presume the hon. member wants to get the matter clear. The legislation passed in 1939 is the co-operative marketing act.

Mr. Brooks: I understand that.

Mr. Gardiner: Under it a co-operative may be formed. That co-operative appoints its officials, and then they may come here and get support not exceeding 80 per cent of the average price of the preceding three years. They can announce to their growers from that time the initial payment is so and so, based upon whatever the arrangement is. Then they can go ahead and plant their potatoes, and they know that is the least amount they are going to receive. That is all in the act of 1939. There is no necessity for any amendment to put it under this legislation.

Mr. Brooks: Now that a co-operative has been formed in New Brunswick, I understand that the farmers may expect a guarantee of 80 per cent of the price that they have received during the past three years.

Mr. Gardiner: No; just as Mr. Duffie says, they can expect an amount not to exceed 80 per cent, whatever is arranged for at the time.

Mr. Brooks: I am just quoting the report in the Saint John *Telegraph-Journal* of March 21 as to what Mr. Duffie had to say on his return from Ottawa. As I said, I do not intend to take very much time. I should like to ask the minister whether he has received a resolution from the New Brunswick provincial government asking for support on potatoes for the balance of this season.

Mr. Gardiner: I think I have, and if I have not there was a delegation headed by the minister of agriculture of that province which made that representation.

Mr. Brooks: I should also like to ask the minister what he intends to do about it.

Mr. Gardiner: As a matter of fact, I have asked the two provincial governments what they intend to do.

Mr. Brooks: I see. It is just a case of passing the buck from one to the other. In the Saint John *Telegraph-Journal* of March 27 there is a headline reading:

United States moves to cut import of potatoes from Canada in next year.

I quote that simply to show the uncertainty of the United States market so far as potato producers in the maritime provinces are concerned. Our market can be cut off almost immediately as it has been in the past. We have been allowed to ship in certain quantities of potatoes at a certain duty, and then the market is suddenly cut off. I believe that shipments this year have been greater because of the support prices in the United States, but this situation is unsatisfactory to the United States; and, as in the case of all other products which the United States purchases from us, when they have a surplus of their own and they do not want our Canadian products they immediately take steps to cut them off. This is an indication that probably next year we

will not be able to sell many potatoes in that market. I am not going to take any more time. I am strongly in favour of the amendment. As I said a few moments ago, I do not see how any Liberal member from the maritime provinces, having the interests of the potato growers at heart, can do anything else but support the amendment.

(Translation):

Mr. Jean Lesage (Montmagny-L'Islet): Mr. Speaker, I wish to express my approval of the bill now under consideration. I know that it is the answer to the wish of the many farm organizations in my constituency which have forwarded to me some resolutions requesting that the government continue to support the prices of farm products. The people of the province of Quebec approve this attitude with regard to staple products.

I have carefully considered the amendment proposed by the member for Assiniboia (Mr. Argue), but I cannot endorse his argument nor the principle of his amendment.

I was amazed to hear certain members of the Conservative party stating that they supported this amendment as I am under the impression that the application of the principle of this amendment would put our agricultural economy in a straitjacket. By such legislation the government would be hindered in setting floor prices and prevented from making weekly or even daily adjustments, if necessary, that might become essential to Canada's economy and that are obviously in the best interests of the farmers.

While on the surface the amendment proposed by the hon. member for Assiniboia may seem to protect the farmer, I have reason to fear that if the principle underlying the proposed amendment were applied, results would be quite different and in the end the Canadian farmer would be adversely affected.

On those grounds, I intend to vote against the amendment and in favour of the bill.

(Text):

Mr. A. Earl Catherwood (Haldimand): Mr. Speaker, since this legislation was introduced last week there has been considerable discussion as to the merits of the bill, and a number of suggestions have been made as to how it may effectively serve agriculture. I am very glad that all hon. members who have taken part in the debate have spoken in favour of the bill as it is generally applied. I am also very glad that many more members have spoken in favour of the amendment, because it is entirely in accord with the views I hold, and I believe it is in accord with the views of a great many members of the house.

Up to the present time the press in Canada has not been very favourably disposed toward price support legislation, but recently I noticed that two widely read publications have given their support to the idea. I am very glad to see this, because I believe all sound-thinking citizens of Canada should support good legislation of this kind.

It has been suggested that the large surpluses in the United States have been built up by price supports generally, and to a large extent that may be true. But large surpluses have a way of disappearing almost overnight, when a drought or something of that kind comes along, and large supplies could be beneficial to a country instead of being a liability, as they are at the present time. So far Canada has contributed very little under this price support program, which has been in effect since 1944. According to *Fortune* magazine it has cost the Canadian people only fifteen cents per capita per year for this price support legislation. Compare that with the cost of $25 per capita per year for the support of industry in Canada, and it does not seem a very large sum to pay in order to keep agriculture on an even keel. I feel that when this amendment is put into effect, as I know the minister will put it into effect, it will be of great benefit to our people.

I also believe that if the government had acted promptly when egg prices tumbled so drastically last December, the poultry industry would not have had to sacrifice so many of their flocks. The consumer may have to pay dearly for that next fall.

It has been said many times already in this House of Commons, but I do not think it can be emphasized too strongly, that during the war our farmers made great sacrifices in order to maintain production and keep down prices. That was without parallel anywhere else in the world. Now simple justice demands that those sacrifices be rewarded by the fulfilment of the pledge made at that time not only by the government but by the whole parliament of Canada.

I do not intend to speak at length, and would like to conclude by reading a resolution passed by the farmers of Haldimand county, the riding I represent, on January 27 of this year. I believe the minister has a copy of it, so I need not read the preamble which has already been brought to the attention of the house:

> Therefore be it resolved that the Haldimand county farmers assembled in open session respectfully and emphatically urge the Canadian government to provide floor prices for farm products that will maintain returns to the farmer at least equal to 1949 levels until such time as other commodities, services and labour decline proportionately.

The second resolution is:

> . . . be it resolved that we ask that all hogs be purchased at 30 cents, basis grade A, f.o.b. at the packing plants, Toronto.

When this legislation is passed, great responsibility will be placed in the hands of the minister. We hope and trust that in exercising it he will always have in mind the great sacrifices the farmers made during the war, to which I referred earlier. I believe he will; and if he does he will have the support of the farm people of Canada.

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, I had no intention of taking part in this debate, which has continued for a fairly long period, but last night the hon. member for Calgary West (Mr. Smith) made some statements which I thought should be answered. I was tempted to speak then, but decided not to. This afternoon the hon. member for Qu'Appelle (Mr. Dewar) also made some statements which I think justify me in speaking on this question, though I represent a purely urban constituency.

The hon. member for Qu'Appelle made the statement that industrial workers wanted to bring down the prices of agricultural products so that they could buy them cheaper on the market. I do not know of any organization of industrial workers in Canada that has said at any time the farmers were getting too much for their products.

Mr. Dewar: I think it is only common sense that eighty or eighty-five cents a dozen for eggs is too much for any worker to pay, no matter who he is.

Mr. MacInnis: That is just the kind of thinking, or lack of thinking, that causes misunderstanding between farmers and industrial workers. People who see eggs at eighty cents a dozen take it that the farmer is getting eighty cents a dozen. The industrial worker protests against high prices, but he realizes that the farmer does not get those prices, that the increase takes place after the farmer disposes of his product.

Mr. Dewar: Would you say that on the market in Ottawa, a secondary market, someone else gets the mark-up? Yet that is what I paid for eggs there.

Mr. MacInnis: That sort of argument reminds me of the arguments that used to be advanced by the opponents of the C.C.F. when we were first organized. They said that as a political party we were bound to fail because we were trying to represent the farmers and the workers, and that no single party could represent those interests because they were diametrically opposed. Of course they forgot they had been representing, or were supposed to be representing, those interests themselves ever since Canada was a nation. It was only when the C.C.F. came into being that they found the interests of those groups were diametrically opposed, so they could not be represented by any single party.

I claim that their interests are not opposed at all, that the farmer is essential to the industrial worker and the industrial worker is essential to the farmer. As a matter of fact much of the work that used to be done on the farms now is done in the cities. If the farmer did not have machinery to use on his farm he would not have any surplus to dispose of. Consequently the operation of producing wheat or eggs or beef today is not just something that takes place on the farm. It is a social operation involving the labour of thousands of people who never see a farm, perhaps; who would not know a grain of wheat from a grain of barley, or a Holstein cow from a Polled Angus.

When the hon. member for Calgary West spoke he said something to the effect that he wished this parliament would cease to be moved by pressure groups; I did not look up his exact words in *Hansard*. If this government or this parliament is moved by pressure groups, we have to realize that in this country we have pressure groups; and if we want to go into it further the next thing we must find out is how these pressure groups come about and how they operate. If today the farmer finds that he must come to the government to protect his interests in the disposal of his products, it is because, if the government did not intervene, the interests of the farmer would not be protected. If each farmer acts as an individual on his own behalf, he cannot today contend with the large aggregations of business that deal in large amounts, and under circumstances in which the individual is helpless. Over a period of years the farmer has realized that. He has seen the value of organization in industry and labour, and has decided he will have to organize as well. In doing that, he will have to come to the government for assistance. I think it is well that he should have to come to the government, because if this were to be a struggle between the various sections of the community, without the government acting as a referee, as it were, then the situation would be hopeless indeed.

One of the things that I have noticed in regard to government policy in this matter is that the government is trying to legislate merely for today, without any realization that there will be a tomorrow. They seem to hope that next year conditions will be such that the farmers will not need this legislation.

Mr. Gardiner: They won't have it if hon. members do not quit talking.

Mr. MacInnis: I do not believe that sort of policy is going to work. Legislation is passed for one year, and then when we are faced with the same problem next year, perhaps in a more intensified form, legislation is again requested. It would be much better if we were to realize that from now on, unless we have another war that consumes all surpluses, the farmer is bound to have surpluses. If he is going to benefit at all from increased production, then his products will have to be marketed in an orderly manner. Today only governments can carry out that kind of marketing organization.

I am going to support the principle of this bill, Mr. Speaker, and I am going to support the principle of the amendment by voting for the amendment, not by voting against it, a habit that is becoming somewhat general on the other side of the house.

Mr. Gardiner: May I just interrupt to explain again that this bill has to be through by Thursday night—not only through this house, but it has to go to the Senate, and, if there are any changes, come back here for approval. It has to be passed by midnight Thursday. I was hoping a vote could be taken tonight, and I did not want to sit after six o'clock to do that.

I do not want to plead sick, but I should have been in the hospital for the past three days. I do not want to have to come back here tonight to put this bill through. After all, the amendment only continues the act in force. There are no changes in it, and I understood all the members wanted it continued. There was another matter I wanted to discuss, but I did not think it was necessary to take time to discuss it now. It may become necessary to do so, however, if certain attitudes are taken and certain statements made. I should like to get this measure through.

Mr. George A. Drew (Leader of the Opposition): It is my desire to see this measure dealt with, and I hope the vote may be taken well before six o'clock. I do feel however, in view of certain things that have been said, that I should state the reasons why I propose to support the amendment that is before the house. I should like also to point out certain considerations that I think should be in the minds of the members when they are voting on the amendment.

First of all I do think I should mention the statement that was made only a short time ago by an hon. member that he supported the amendment in principle, but that he intended to vote against it. I would point out that on second reading of any bill it is the principle that is in issue. The detail is dealt with in committee. If a member supports the principle enunciated, either in the bill or in the amendment, it is the duty of the member to support what he accepts as a matter of principle, and reserve the right to deal with any detail when it comes before the committee.

Mr. Dewar: I suggested, did I not, that I was in favour of the principle of the bill, and therefore I supported it, but not the amendment?

Mr. Drew: I hope I can realize my desire to finish my remarks before six o'clock so that a vote may be taken. What we have before us is a continuation of the Agricultural Prices Support Act. It is necessary, in view of the fact that certain members, quite properly, send out copies of *Hansard*, that I should not let one or two remarkable statements that were made this afternoon go completely unchallenged. This is particularly true of the remarks of the member for Yorkton (Mr. Stewart). He said that if a member voted for the amendment, he killed the bill. Such a statement, of course, is so remote from reality it is difficult to deal with it in terms no stronger than that.

The fact is that the amendment itself asserts the proposition that the bill should remain in force, but that legislation should be introduced to give expression to the idea set forth in the amendment. The amendment itself would be meaningless if the bill were not to stand. Whether one agrees with the amendment or does not agree with it, every hon. member will recognize that the amendment simply says: We want the bill continued; but in addition we say there should be a further amendment setting out the differences which we assert. That is what the amendment says. The principle which the amendment asserts is that there shall be a continuation of the price level, not necessarily at the level which existed between 1944 and 1948, but a level which will bear the same relationship to costs as was the case throughout the period 1944 to 1948. That does not fix prices at a point beyond reasonable levels at all. Under this amendment, if there is a tapering off in costs generally; if there is a tapering off in the cost of production, then the price at which the product is sold will taper off accordingly.

I am not suggesting that this proposal is in itself sufficiently comprehensive to embrace the working out of details; nor is it suggested that it is. It should not be necessary for me to suggest in this house that I do not believe in what are described as socialist doctrines. Nevertheless I certainly intend, now and on

any other occasion, to support any measure that is put forward from any part of this house which I believe carries out purposes I think should be carried out. So far as this bill is concerned, there is nothing doctrinaire about it. It is simply an assertion of a principle which has been put before the farmers of Canada by the Minister of Agriculture himself. When I say that, I refer back to a number of statements made by the Minister of Agriculture (Mr. Gardiner) with regard to the reasons why the farmers of Canada did not have the opportunity to avail themselves of world prices which were well above Canadian prices during the years from 1944 to 1948. Last spring the Minister of Agriculture said, and the same general proposition was repeated on a number of occasions—I am quoting from the Windsor *Daily Star* of February 10, 1949:

> Canadian farmers are entitled to prices which would justify their wartime sacrifices.

In that he was referring to the fact that Canadian farmers did not receive the higher level of world prices, and particularly the prices that were being received for certain commodities in the United States. Then he went on to say:

> Because there have been declines in the United States, people here are suggesting that food prices should drop to that level, forgetting that prices there rose during the war to a peak never experienced here.

What the minister was pointing out on that occasion was that prices had been held down here and that, because of the fact that farmers had accepted those lower prices, our prices should not be allowed to drop but should be carried forward into the years ahead at a corresponding level. As I understand it, that is exactly the purpose that is intended in this amendment. I think it is carrying out what the Minister of Agriculture said was the reason for those wartime sacrifices on the part of our farmers. Then I should like to add this quotation, although it gets slightly outside the particular proposition. The Minister of Agriculture said:

> The more closely we associate ourselves with them (the British) along trade lines, the brighter it is likely to be for the future of our country.

To that statement I subscribe. To come back to this general proposition, the Minister of Agriculture made the position clear, and I do not suggest for a moment that he has ever departed from that position. The farmers got good prices, according to his statement, but they did not get quite as high prices as they could have obtained if we had not placed a definite level on farm prices; but they are going to get better prices in the years ahead than they would otherwise have obtained because this is going to be a continuing level. This amendment simply says, "We accept the principle of price supports asserted in the Agricultural Prices Support Act, and we suggest that you carry out the undertaking to the farmers that the level be carried forward, as you yourself suggested, and that you relate the sale price to the cost of production on the same relative basis." While I do not think that this is by any manner of means adequate as a full working formula, nor do I suggest that on the long-term basis this meets the situation, I am supporting this amendment because it asserts the very proposition which we say the Minister of Agriculture has put forward, and which we say should be carried out.

In mentioning this bill, I would point out that the Agricultural Prices Support Act was intended to be not simply an instrument of government; it was intended to create producers' agencies and advisory committees. While mentioning the amendment, I believe that this board should be one really made up of producers, and the chairman should be a producer, not a civil servant who is a member of the Department of Agriculture. That is no reflection on the individual, on the way he approaches the problems, or on his desire to do a job.

Mr. Gardiner: May I be permitted to say a word just here?

Mr. Drew: Yes.

Mr. Gardiner: I am not sure that my hon. friend was here when this matter was discussed before. That question was submitted to the farm federation, and the board of the farm federation resolved that they preferred to have the chairman and eight other representatives on a board of sixteen which is advisory to the support board instead of having the chairmanship of the board. They agreed to that themselves and asked for it. That is the way it has been done.

Mr. Drew: I do not want to extend the time, but I understand that the advisory committee provided for by section 9, subsection (1) (j), has not actually been set up.

Mr. Gardiner: Oh yes, it has. It is the same advisory committee that acted on prices right through, as advisory to the prices board. They are going to meet again as a matter of fact, at the end of April.

Mr. Drew: Is that a general advisory committee, to assist the board in an advisory capacity?

Mr. Gardiner: Yes; and with Mr. Hannam as the chairman.

Mr. Drew: I am not going to extend that argument. I am simply going back to this. I am putting forward the proposition that the act was intended to create a board that

was an independent agency of government, created it is true by statute, and that there should be not only an advisory committee but advisory committees dealing with particular subjects, to assist the board in its deliberations. I think that structure should be carried forward because it is essential, if satisfactory results are to be achieved, to have a board made up of experienced producers and then to have committees of people specializing in various particular types of production advising the board in regard to price levels. I merely make that observation with regard to the act itself, which is supported in principle by the amendment that is before us.

This board is of concern not merely to the farmers of Canada but to everybody in Canada because, as has been asserted already, the maintenance of adequate levels of farm prices is something that is of concern to every Canadian. If the agricultural economy of this country is threatened, then the whole of the economy of the country will be threatened at the same time.

I repeat that in supporting this amendment I am doing so because I believe it carries forward the very undertaking that was given to the farmers at the time they willingly accepted prices that were lower than world prices, with the assurance that this would give them a continuing level in the years ahead. I believe that this should be done at this time; but it could be done simply by introducing a further amendment to this same act, which could be dealt with easily within the time limit that we have. In voting for this amendment, I am voting to support the act in principle. In fact, voting for the amendment does support the act in principle. But in voting for this amendment I do so in the hope that the government will consider the introduction of some positive declaration of this kind as to the level at which prices will be kept. I repeat that this is only an expedient, that it does not meet the over-all requirement of wider markets unless there is to be a threat to the whole price structure within Canada; and that while this Agricultural Prices Support Act is an essential device to meet the present situation, we still must find those wider markets so that we shall have not only adequate price levels but also adequate demand for the things we produce. It will not be satisfactory if we simply have a price level that is adequate unless we are able to sell what we can produce on a continuing level of production. Therefore I urge support of the amendment by members on all sides of the house; and I hope, Mr. Speaker, that, in view of what the Minister of Agriculture (Mr. Gardiner) has said, you will permit the time to lapse, and take a vote on the amendment at this time.

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

YEAS

Messrs:

Adamson	Herridge
Argue	Higgins
Aylesworth	Hodgson
Balcer	Johnston
Beyerstein	Jones
Black (Cumberland)	Kickham
Blackmore	Knight
Blair	Knowles
Brooks	Lennard
Browne (St. John's West)	MacInnis
Bryce	McGregor
Cardiff	McLure
Casselman	Murphy
Catherwood	Noseworthy
Charlton	Pearkes
Coldwell	Quelch
Courtemanche	Ross (Souris)
Coyle	Rowe
Diefenbaker	Shaw
Drew	Smith (Calgary West)
Fair	Stewart (Winnipeg North)
Fleming	Studer
Fraser	Thatcher
Fulton	Thomas
Gillis	Tustin
Green	White (Hastings-Peterborough)
Hansell	White (Middlesex East)
Harkness	Wright—58.
Harris (Danforth)	
Hatfield	

NAYS

Messrs:

Anderson	Douglas
Applewhaite	Dumas
Ashbourne	Eudes
Bater	Eyre
Belzile	Fauteux
Bennett	Ferrie
Black (Chateauguay-Huntingdon-Laprairie)	Follwell
Blanchette	Fournier (Hull)
Boisvert	Fournier (Maisonneuve-Rosemont)
Boivin	Fulford
Bonnier	Gagnon
Boucher	Gardiner
Bourget	Garland
Bradette	Garson
Breithaupt	Gauthier (Lake St. John)
Brisson	Gauthier (Sudbury)
Brown (Essex West)	Gauthier (Lapointe)
Bruneau	Gauthier (Portneuf)
Byrne	George
Cameron	Gibson
Campney	Gingras
Cannon	Goode
Carroll	Gosselin
Carter	Gour (Russell)
Cavers	Gourd (Chapleau)
Chevrier	Harris (Grey-Bruce)
Cleaver	Harrison
Cloutier	Healy
Conacher	Hellyer
Corry	Helme
Cote (Verdun-La Salle)	Henderson
Cournoyer	Hetland
Croll	Howe
Darroch	Huffman
Dechene	Hunter
Decore	Isnor
Dewar	James
Dickey	Jutras

Kent	Murray (Cariboo)
Kirk (Antigonish-Guysborough)	Mutch
Kirk (Digby-Yarmouth)	Nadon
Lafontaine	Nixon
Laing	Pinard
Langlois (Berthier-Maskinonge)	Poulin
Langlois (Gaspe)	Pouliot
Lapalme	Proudfoot
Lapointe	Prudham
Larson	Ratelle
Leduc	Richard (St. Maurice-Lafleche)
Lefrancois	Robertson
Leger	Robinson
Lesage	Rooney
Little	Ross (Hamilton East)
Macdonald (Edmonton East)	St. Laurent
MacDougall	Simmons
MacLean (Cape Breton North and Victoria)	Sinclair
MacNaught	Sinnott
Macnaughton	Smith (Queens-Shelburne)
McCann	Smith (Moose Mountain)
McCubbin	Stewart (Yorkton)
McCulloch	Stick
McCusker	Stuart (Charlotte)
McIlraith	Thomson
McIvor	Tremblay
McLean (Huron-Perth)	Valois
McWilliam	Viau
Major	Ward
Maltais	Warren
Masse	Weaver
Martin	Weir
Matthews	Welbourn
Maybank	Whiteside
Mayhew	Whitman
Monette	Winkler
Mott	Winters
Murray (Oxford)	Wood—152.

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

On section 1—*Section 9 of c. 29, 1944-45, continued in force.*

Mr. Fulton: Is the minister in a position to make a statement with regard to support for British Columbia apples?

Mr. Gardiner: No; I am not in a position to make a statement on British Columbia apples at the present time.

Mr. Ross (Souris): The minister was going to answer a question that I had asked.

Mr. Fulton: I should like to ask the minister when we can expect to have this matter settled. I am not anxious to hold up this bill. If the minister will give us as much information as he can I shall be satisfied, but if not I shall have to prolong the discussion.

Mr. Gardiner: The matter is under discussion and no matter what is done about this bill the decision will be the same. The people concerned know what the facts are and I do not think they are in any way concerned.

[Mr. Drew.]

Mr. Fulton: I happen to know that they are concerned.

Mr. Gardiner: I shall report the decision to the house just as soon as it is made.

Mr. Ross (Souris): The other day the Minister of Agriculture said that he would give me an answer about oleomargarine manufacturers putting the dairy people out of business.

Mr. Gardiner: I am afraid if I were to go into that in detail it might cause some discussion. All I will say at the moment is that we have about 21 million pounds of butter left at the present time. I have a short announcement which I probably should make in conjunction with my answer to the question. The Minister of Agriculture announced today that the agricultural prices support board is authorized to continue the purchase of butter on the basis of 58 cents delivered Montreal for one additional month, that is, until the 30th day of April. It is further announced that there is no change in the present selling price of government-held butter nor any change in the policy to protect purchasers of government-held butter as previously announced. The matter will continue as it is for one more month.

As to the other question that has been raised, some reference was made to it at the dairy council's meetings in the last two weeks, and I made some reference to it in the meeting at Saskatoon. The matter to which reference was made was that we have had a production of oleomargarine of a little less than 3 million pounds a month during the past year, and it is continuing along at about that rate. In the month of February for some reason the producers of oleomargarine put out over 8 million pounds. The dairy people have taken strong exception to that, and we take some exception to it largely because of the fact that we think it is putting an uncalled-for amount of margarine on the market at a time when it is essential that we market the surplus of Canadian butter. That is all that is involved in what has been said up to date. In addition to that, the only thing I can say is that the government put through a vote of $50,000 to advertise butter, and in the press across the country from time to time within the last few weeks you may have noticed these advertisements that have been inserted to help the sale of butter.

Mr. Ross (Souris): That is certainly not a sufficient answer. The statement of the minister extending the purchase price for one month is simply in order that the dairy producers can sell their new butter there and the old butter will be disposed of through the trade. I think that is all that means. I raised this question the other day and pointed out

that it was not satisfactory to the dairy producers, that they wanted to know whether they should remain in business. I do not want to delay the passage of the bill. I can question the minister on his estimates, and I may say that I want a better answer.

Mr. Gardiner: I have a full explanation, if you will leave it until my estimates are before the house.

Mr. Ross (Souris): On the question of oleomargarine, an answer made yesterday to a question on the order paper stated that some 73 million pounds of oleomargarine were manufactured in the year 1949. That is altogether different from the answer the minister has just given me as to the manufacture of oleomargarine during the past year, namely, some 3 million pounds a month.

Mr. Gardiner: I will be very much surprised if there is that much.

Mr. Ross (Souris): That is the answer on *Hansard* yesterday.

Mr. Gardiner: Sometimes these answers are a little difficult to understand.

Mr. Ross (Souris): That is very true. I have found that out myself in receiving from the minister answers that appeared to be a little difficult to understand.

Mr. Gardiner: For example, I asked for information to be brought to me last night—I have it in front of me—as to what weight of bacon had been exported to Great Britain in January. The figure I received was 40,930,000 pounds. I knew that did not give me what the house was asking for or what I was asking for. I said, "Where did that come from?" I was told that 38 million pounds of it came from months immediately preceding the end of last year. This was what was shipped; it was not what was taken delivery of. On receiving the information as to what was taken delivery of I find that it is less than 5 million pounds down to the present time since the beginning of the year. Therefore sometimes you have to get an explanation of these answers in order to understand exactly what they mean.

Mr. Drew: Mr. Chairman, there is no use in members showing impatience. We are dealing with an extremely important matter. There is no question of misunderstanding in this particular case, no matter what it might be in other cases. In response to a question on the order paper a reply was given yesterday. The question reads:

1. How many pounds of butter were produced in Canada in the calendar year 1949?
2. During the same period, how many pounds of margarine were manufactured?

There cannot be the slightest doubt that the question asks how many pounds of margarine were manufactured in Canada in the calendar year 1949. The answer given is 73,958,000. There can be no misunderstanding of that which would explain the difference between that figure and the estimate of 3 million pounds a month.

Mr. Gardiner: Mr. Chairman, I will have to have the matter investigated myself. I am sorry I did not check this question before it was answered in the house. I have had the answer given to me a dozen times as to 1949, and it is 35 million pounds, unless everything has changed since. Somebody must have been storing it away underground or somewhere else, because up until the end of the year the figures indicated 35 million pounds. It was indicated in the press within the last two weeks that the highest production of oleomargarine ever experienced in Canada was in February, and it was a little over 8 million pounds. It would take 8 million pounds every month in the year in order to produce the figure that is given in yesterday's *Hansard*. There is something wrong with it.

Mr. Drew: I think every hon. member is anxious to expedite proceedings, but they cannot be expedited beyond a point that is in keeping with our obligations as members. I know that every hon. member will be in sympathy with the view that the minister should not be kept here any longer at this time than is necessary. We will all agree he should do something about his cold.

Mr. Gardiner: This has nothing to do with the bill.

Mr. Drew: No, but it is a point that has been raised in relation to it.

Mr. Gardiner: It is not properly raised. It can be discussed better on my estimates than now because it does not belong here at all.

Mr. Drew: In order that the discussion may not be extended on this particular point, I suggest that the minister undertake to have his parliamentary assistant examine the matter, and that tomorrow or later in the week if it takes longer a statement be given to the house. If that is done we can pass this legislation now.

Mr. Charlton: I have no desire to continue the debate any longer, but I have a few questions which I think the minister should answer. If he wishes to do so he can answer them tomorrow or any other time at all. How much of the $200 million has been used in each of the calendar years since 1944? What products have been covered? What is the amount of each product covered, and what is the amount of each product purchased under

the act? How much of the butter that has been purchased is not up to the grade that it was when it was put in storage?

Mr. Gardiner: We will get all that for you.

Mr. Charlton: Will the minister say he will answer those questions?

Mr. Gardiner: Yes, I will.

Section agreed to.

Bill reported, read the third time and passed.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, as I indicated last week, I hope I may have unanimous consent to move that the house go into committee of ways and means to consider certain resolutions, and that the hour for private bills be deferred until the completion of what I have to say and the customary brief remarks of my hon. friend the financial critic of the opposition.

Mr. Drew: I do not wish to raise any question about the procedure, Mr. Speaker, but I suggest that the position simply be that by consent the minister proceed at this time.

Mr. Abbott: I am in the hands of the house, Mr. Speaker. I move:

That Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

In proposing this annual motion and in opening my budget for the year upon which we are about to enter I begin as is customary by reporting to the house on the general economic situation in which we are operating, and upon the economic prospects for the coming year.

The three years 1946, 1947 and 1948 were years of active and expanding business and employment in almost every part of the world. The work of physical, social and economic reconstruction not only created very high levels of employment and activity, but placed severe strains upon the available resources of manpower, equipment and materials in almost every country. These determined efforts to do so much in so short a time resulted in widespread shortages of various kinds and in open or suppressed inflation of varying degrees of intensity.

The year 1949 saw a considerable change in this balance of demand upon resources, and the improvements in output and in organization have lessened some, though not all of the economic difficulties with which the world is faced. In looking through the figures published by the United Nations I find that in those countries of Europe for which information is available the volume of production increased about 10 per cent during 1949, and that output as a whole is nearly 20 per cent above 1937. In Canada industrial output in 1949 was about two per cent above 1948, but more than 70 per cent above the 1937 level. In passing, I may add that Canada's increase in production over pre-war levels is greater than that recorded for any other country.

These improvements in production have had their effect on price levels and inflationary pressures. The December 1949 price levels in most countries of western Europe were less than five per cent above December 1948. It should be added that conditions of suppressed inflation continue to be a danger in some countries, and in most countries the effects of the September devaluations had not been fully reflected in their price levels by the end of December. Canadian wholesale price levels at the turn of the year were about two per cent below a year ago.

These increases in production have also resulted in a considerable improvement in the balance of payments position of western Europe as a whole. Over the past three years the current account deficits of ERP countries have been reduced from $7½ billion to just under $4 billion, and their trading deficit with the dollar areas has been reduced from about $7 billion to $3·8 billion. This improvement in their total deficit has been the result of a five per cent increase in total imports and a 40 per cent increase in total exports, though in respect of the dollar areas the deficit has been reduced by a drop of one-third in imports and an increase of one-quarter in exports. Reductions in imports by European countries were made possible by their improvements in home production and hence their reduced need for the abnormal volume of imports which was essential just after the war, but are also the result of deliberate administrative measures designed to keep their imports within the dollar resources that are available to them.

Hon. members will realize, of course, that while these improvements are very considerable, Europe still has a difficult road to traverse before viability at a tolerable level can be reached. Hon. members will also realize that, while we stand to benefit very substantially in the longer run by the restoration of a sound balance in world trade, in the shorter run we shall have posed to us in Canada a number of difficult problems, and

the adjustments that we may be required to make in our economy will not always be easy or entirely painless.

Canadian economic activity is heavily influenced by conditions throughout the world, but it is particularly influenced by economic conditions and prospects in the United States.

Economic activity in that country experienced a moderate setback during the spring and early summer of 1949, but recovered during the second half of the year. The decline in United States industrial production during the first half of the year amounted to about 16 per cent, and the later recovery regained about half of this lost ground. While we can never escape the effects of sustained changes in United States business conditions, it is evidence of the current strength of the Canadian economy that we were so little affected by the United States recession. Taking 1949 as a whole, United States industrial production declined about eight per cent and Canadian output advanced about two per cent.

I turn now to a general review of our external trade.

Exports from Canada to all countries have been sustained at a high level throughout 1949. From a post-war low of about $2,300 million at the end of 1946 exports increased steadily and rapidly until the annual rate reached $3,000 million toward the end of 1948. During the first eight months of 1949 there continued to be an upward trend and the peak twelve-month figure of $3,120 million was reached in August. Since that month there has been some falling off and the exports for the twelve months ended February 28, 1950, were just under the $3 billion mark.

There have, however, been some significant changes in the direction of our exports, and having regard to our exchange problem, these changes have been in a satisfactory direction. Exports to the United States, which reached a post-war low of just under $900 million in 1946, climbed slowly through 1947 but very rapidly during 1948 to reach $1½ billion at the end of that year. They have remained at this level, with only minor fluctuations, for the past fifteen months.

This remarkable increase of $600 million in our exports to the United States in three years has been spread over all our principal industries, but the chief contributors to the increase have been farm and livestock products, wood and paper products, farm machinery and equipment, and non-ferrous metals.

Exports to the United Kingdom were at an annual rate of $600 million at the end of 1946; they climbed to $780 million early in 1948; dropped back to $650 million early in 1949; then recovered to about $700 million, and have been fluctuating narrowly about that figure for the past eight months. There has been more variability in the pattern of our exports to the United Kingdom. We have sold them more grains and more base metals, but they have bought less animal products and less timber.

Exports to all other countries increased from $800 million late in 1946 to about $1 billion at the end of 1947. Since then they have declined in an irregular pattern and are now at a rate of about $750 million a year.

Taking the last two years as a whole, a fall in overseas exports of about $300 million has been more than offset by an increase of $500 million in our exports to the United States.

On the import side, it would be agreed, I think, by all groups in this house that Canada should welcome increased imports from our overseas customers. But such an increase, to be of a lasting nature, must be based upon supplying goods which we need and like at prices which are competitive with the supplies available to us from our own producers or from other countries. Ever since the war, and more recently as a part of our policy of meeting our own dollar problem, we have taken special measures to help our overseas suppliers to surmount the transitional difficulties of the post-war period; but we cannot continue these indefinitely, nor should we convert temporary devices into permanent policies. It continues, however, to be our policy to encourage as large an increase as possible in our overseas imports, within the framework of our international obligations.

As the house knows, imports into Canada increased rapidly from the $1½ billion figure in 1946 to $2½ billion at the end of 1947. This increase of a billion dollars in imports was in part a reflection of world-wide price increases, in part a filling of the accumulated shortages of the war years, and in part the purchase of materials and equipment for incorporation in our heavy post-war capital investments. Largely as a result of our emergency import controls, imports were held at the $2½ billion level throughout 1948, and as these controls were relaxed the rate of import climbed slowly during 1949 to about $2¾ billion. There has been little change in the rate of import during the past six months, and such change as is discernible has been slightly downward.

As a result of our emergency import controls our imports from the United States during 1948 were held to a level about $200 million below 1947. With the progressive relaxation of these controls our annual rate of United States imports has come back to

within $25 million of their earlier peak. Much of this increase has been in the field of capital goods and equipment which have been a necessary part of the continued capital investment program of Canadian industry.

Frankly we have been a little disappointed in the apparent inability of overseas countries to resume their traditional share of our import market during the past year. Late in 1946 our overseas imports were about $500 million; they rose steadily to $860 million early in 1949, but from that point they have been drifting downward and are now at about $800 million. If our overseas friends could get back their traditional share of our import market, they would be earning an additional $200 million a year with which to balance and eventually expand their consumption of Canadian products.

It is still too early for the world to have witnessed the full effect of the world-wide realignment of exchange rates which occurred last September. The immediate arithmetical implications of these currency devaluations, so far as we are concerned, were to raise the cost of our imports from the United States by 10 per cent, to reduce to the United States the cost of our exports by 9 per cent, to reduce the cost of our imports from most other countries by 24 per cent, and to raise the cost of our exports to most other countries by 31 per cent. At the same time United States exports would cost most other countries 44 per cent more, and relative prices between most of these other countries would be unchanged.

Changes in price relationships of this magnitude naturally set in motion all over the world a stream of price adjustments that is still going on. Some basic commodities traded in relatively free international markets, such as the base metals, were adjusted almost immediately to the United States dollar price; many other prices have moved much more slowly, and some hardly at all. The general effect, however, has been to reduce very considerably the wide international price disparities which had been developing at an alarming rate during the three preceding years.

The effect on Canadian trade has already been noticeable and is in a satisfactory direction. Notwithstanding the relaxation of many of our import controls, our imports from the United States have been declining for the past four months, and our exports have been increasing. In the four months November to February inclusive, our exports to the United States increased by nearly $60 million as compared with the same months a year ago, and our imports declined by about $25 million. That is, for these four months an adverse balance of trade of nearly $100 million a year ago has been reduced to an adverse balance of only $15 million.

In the same four months our exports to the United Kingdom declined by $20 million, and our imports from the United Kingdom were down by $3 million. Our overseas exports as a whole, however, were down by more than $100 million in these four months, and our overseas imports down by $12 million.

In a world where so many other factors are changing, one cannot isolate the effects of currency changes in any precise way, but I think that those which took place last fall should play a beneficial role in helping to correct the unbalance in the trading relationships between North America and the rest of the world. I should emphasize, however, that currency changes alone and of themselves are no cure for basic problems of maladjustment. They can do little more than give time in which the more fundamental measures can be put to work. However, so far as Canada is concerned, it already seems clear that the action we took in September last has, under the conditions presently prevailing, improved our trading position.

As the house is aware, exports of gold are not included in our merchandise trade figures. Gold production, however, has recently been showing a steady and welcome increase each year, due to the combined stimulus of an improved supply of suitable labour, the emergency assistance payments and more recently the devaluation of the Canadian dollar. Last year total production amounted to $148 million and most of that served to increase our exchange reserves.

Apart from merchandise trade and gold production, there are of course several other factors which enter into our international balance of payments on current and capital account, including tourist expenditures here and abroad, interest and dividend payments and receipts, freight charges and earnings, and various types of capital inflow and outflow. It is the combined effect of all these factors which account for the net change in our reserves of gold and United States dollars during the course of a year. I do not wish to anticipate the report of the foreign exchange control board for 1949, which will be available in the very near future and will contain a detailed analysis of our balance of payments during the past year and of the factors accounting for the change in our reserve position. All I need say here is that our surplus on international current account according to preliminary estimates amounted to about $193

million in 1949, a decline from the $450 million surplus reported in 1948; and that in the capital account the features of note were total advances of $120 million to the United Kingdom under the 1946 loan and a fairly substantial inflow of capital from the United States for direct investment, chiefly in connection with oil developments in western Canada. The end result of both current and capital transactions was a net increase of $119 million in our exchange reserves, bringing them to a total of $1,117·1 million on December 31 last, as I reported early in January.

This represents a very substantial increase from the low point of $461 million to which they had fallen in December, 1947,—a point so far below a safe margin that we had to secure approval from parliament for special emergency powers to control imports. These special measures were effective, and by the end of 1948 our reserves had recovered to $998 million. In the light of this improvement we were able to make extensive relaxations in our import restrictions, one result of which was that our rate of accumulation of reserves in 1949 was more moderate. However, with the improvement of $119 million that did occur, I was able to announce early in February two further groups of relaxations to take effect April 1 and July 1 respectively. When these are in effect I estimate that we will have covered about half the road toward complete removal of the emergency import controls.

In the meantime our reserves have shown a further substantial increase. I shall be publishing the March 31 reserve figure sometime next week, but as we are now so close to the end of the month, I think I should depart from our usual practice of reporting the size of our reserves only after the end of each quarter and advise the house that at the close of business on Saturday last they had reached the figure of $1,204·2 million. This represents an increase during the present quarter of about $87 million. I should add, however, that a considerable part of the recent increase is accounted for by a rise in Canadian balances held by other governments. To the extent that these balances are abnormally high and will be subsequently reduced it means that some of our exports in coming months will be paid for out of these balances and will not bring in new receipts of exchange. To this extent our reserves at their current level include the proceeds of some future earnings which have in effect been received in advance. Moreover, the second quarter of the year is the season for heavy transfers of earnings on United States investments in Canada. Hon. members who have studied our monthly reserve figures will recall that last year our reserves dropped by $90 million during April and May. Unless some unforeseen developments occur, I expect that our reserves may show a similar decline during the next two or three months. However, I would not, of course, venture to make any prediction in respect to the probable net change in our reserves for the new fiscal year as a whole.

As is customary on these occasions, I shall table at the conclusion of my remarks and ask to have printed as an appendix to today's *Hansard* the usual white paper which puts into convenient form all the more important economic and financial statistics. Accompanying these tables will be found brief explanatory notes and comments. It is not my intention to burden the house by reciting many of these facts and figures. I shall try only to give a broad and general picture. I do, however, urge hon. members to study the white paper carefully.

The latest estimate published by the dominion bureau of statistics over the week end shows Canadian farm cash income in 1949 to have been almost identical with the all-time record reached in 1948, which in turn was twenty-five per cent above 1947. Lower returns on dairy products, poultry products and furs were offset by increased returns on grains and livestock. Earlier estimates of net farm income for 1949, which are given in the white paper, show a moderate decline from 1948. The production of the fisheries was well maintained. Despite export marketing difficulties for some types of fish, returns to fishermen in 1949 were satisfactory, domestic demand being particularly good throughout the year. In those lines of production where our farmers and fishermen rely primarily on overseas markets the outlook for 1950 is less certain, but I would like to remind hon. members that our markets on this side of the Atlantic have increased greatly in recent years, and can, I think, be still further developed, especially for high quality products.

Employment in Canada has continued at a high level. The trend of industrial employment continued upward during 1949 until August or September; since then it has been moderately downward. The latest available figures for industrial employment, which are for January, show a decline of one per cent from a year ago. This, however, is a general average, and conceals a number of divergent trends in the components of the general index. For example, employment in logging and in the agricultural implement industry is down much more than the average; but in mining, in construction work, and in the trade and service occupations it is considerably higher than a year ago.

Total labour income, in spite of the one per cent fall in employment, has continued to increase, and its monthly rate at the end of the year was about five per cent above the same months a year earlier. Average weekly wages rose about three per cent during the year, while the cost of living advanced barely one per cent.

While the decline in employment as a whole has been small, the increase in unemploym nt has been greater, due, of course, to the fact that the total labour force continues to grow. The outlook for 1950 seems to be that the volume of employment will increase moderately, but it is possible that it may not catch up with growth in total labour supply.

Total unemployment, even at its seasonal peak, has not been large, judged by normal and usual conditions in this country. It has, however, been uneven in its regional incidence.

The largest single element in the past winter's unemployment has been the sharp decline in woods operations associated with the policy of the principal pulp and paper companies in reducing their heavy pulpwood inventories. Other pools of unemployment have been created by decline of particular export markets.

The marketing prospects for our pulp and paper industry appear to be good, and if these are maintained I would expect the woods operations next winter to be at a normal level. We shall continue to give all the help we can in finding markets for such other commodities as may from time to time find their markets upset.

I want to make it clear, however, that the central government cannot and should not attempt to assume responsibility for all these regional problems. In my mind the proper role of the central government in our federal state is fourfold. First, through its fiscal and g neral policies it should endeavour to create a favourable climate for healthy economic expansion and development. Second, it should have careful regard in planning its own operations for the best timing and the best placing of its capital and developmental expenditures. Third, it should recognize a special responsibility for the promotion and development of our basic primary industries and other industries of a national significance. Fourth, it should be ready to co-operate actively with provincial governments, and through the provincial governments with municipalities, in meeting regional problems that threaten nation-wide economic repercussions.

There have been times in the past when differences of view between the federal and provincial governments have received a kind of publicity which has led the general public to overlook, or at least to underestimate, the very large amount of practical day-to-day co-operation between the two levels of government. There is a great deal of this working together, and we are ready, in all appropriate circumstances, to extend this friendly collaboration.

With particular reference to the current situation I should remind the house that in preparing our estimates for construction projects we have deliberately been severe in cutting down requests for new construction, because in most parts of Canada building labour is fully employed on private projects. But where we have evidence that building labour will be available we have applied less severe tests to departmental requests for new construction.

The amendments to the Unemployment Insurance Act recently enacted will not only relieve distress but will sustain purchasing power, and thus the general level of business activity, in many of the regions where difficulties were encountered this winter.

The consensus of informed views about the outlook for 1950 is that employment, output and price levels in both Canada and the United States will show no great change from 1949. The balance of probabilities for Canada indicates a moderate increase in the domestic and United States demand for our products, offset in part by a reduction in overseas demands, with prices tending slightly downward, and employment slightly upward.

A minister of finance must always remind the house that forecasts of this nature are beset with uncertainties. But under our parliamentary system, where both programs of expenditure and programs of revenue must be presented and approved in advance for a specified twelve months period, such estimates of the future have to be made. To some extent our expenditures, and to a much greater extent our revenues, will fluctuate with expanding or contracting business activity and with rising or falling prices.

However difficult, forecasts must be made. My forecast and my fiscal program for 1950-51 are based on the expectation of sustained high levels of production and employment, and can be summed up simply in an estimate that the gross national product, which is in fact the economic tax base, will be about one or two per cent higher in 1950 than in 1949.

GOVERNMENT ACCOUNTS: 1949-50

In turning to review our revenue and expenditure for the fiscal year now closing and to forecast revenue and expenditure for next year, may I again call the attention of

non. members to the detailed accounts provided in the white paper to which I have referred.

A year ago I forecast for the current fiscal year expenditure of $2,390 million and revenue, after tax changes, of $2,477 million, leaving a prospective surplus of $87 million. In re-introducing the budget measures on October 20 last I revised the expenditure figure to $2,460 million, including in it in this case the Newfoundland debt we had taken over, and I revised upwards the forecast of revenue, setting it at $2,545 million, after taking into account the small additional tax changes then proposed. This left practically unchanged my earlier forecast of the budgetary surplus. We have not yet reached the end of our year, and on the expenditure side in particular it is always difficult to estimate the payments to be made during the closing weeks. It now appears, however, that actual expenditures for the year will be about $2,438 million—about one per cent less than our last forecast—and revenue about $2,549 million—just a shade more than our October estimate. On this basis our budgetary surplus should be about $111 million. It is possible, however, that the actual out-turn when all the accounts are closed may differ slightly from this, but not by very much. In operations of the magnitude and complexity of the government's financial activities, an error amounting to only about one per cent of our expenditure appears to me to reflect exceedingly accurate estimating.

On the revenue side, the notable feature is still the remarkable buoyancy in our direct taxes, notwithstanding the successive reductions in rates that have been made. Direct taxes accounted for half our total revenue, and a large part of the indirect taxes that provide forty per cent of our revenue is levied upon things the purchase of which is usually some evidence of ability, as well as willingness, to pay.

Our non-tax revenue continues high. The post office is paying its way, when we include the wartime increase made in letter rates, and I hope that we can continue to cover the growing cost of postal services by charges for them. It supplies some free services to other departments, of course, and service of some kinds below estimated cost, but on the other hand the post office is not charged for its office accommodation nor for certain services such as those of our accounting and disbursing officers. In due course I would hope we can arrange that it will be charged with all proper expenses of its operations, that it will charge other departments for mail services, and that it will be able to show a modest surplus on a commercial basis of accounting.

We have continued this year to benefit from some abnormal post-war special receipts and credits, though now on a relatively modest scale, the total of this category being about $60 million. The chief components of this figure are $18 million from the sale of surplus crown assets, $16 million recovered on war contract settlements, and about $9 million in payments by European governments in settlement for supplies provided by the military authorities to the civil populations at the end of the war. We can still expect some receipts next year under these headings, but on a diminishing scale.

On the expenditure side, the most notable features have been the increased expenditures for social security on the one hand and national security on the other. The increase in social security—chiefly family allowances and old age pensions—was about $62 million; and the increase in national defence and defence research was $110 million. Newfoundland, too, added materially to our expenditures—as was evident from the $55 million provided in special supplementary estimates to extend our services to Newfoundland, and a non-recurring charge of $62 million to cover the assumption of the major portion of the former Newfoundland debt. There was another large non-recurring item in our expenditures represented by the net charge to our premium, discount and exchange account resulting from the revaluation of currencies and representing the decreased Canadian dollar value of our sterling obligations, the increased Canadian dollar value of our United States dollar obligations, and the increased Canadian dollar value of our holdings of gold and United States dollar balances.

Offsetting these major increases in expenditures that I have noted were a number of reductions in those items which arose out of the war, notably certain types of non-continuing payments to veterans, payments of subsidies of various kinds, and various administrative costs for temporary post-war organizations.

In addition to these major changes in our expenditures this year as compared with previous years, there was a wide variety of minor increases representing, on the one hand, higher costs due to the rise in salary, wage and price levels, and, on the other, expansion in various government services. I will not attempt at this stage to comment in any detail upon these, but the combined effect of these factors can be noted in the detailed statements of expenditures given in the white paper.

As usual, I should call the attention of the house not only to our budgetary surplus but also to the non-cash items in our

revenue and expenditure and to the non-income or extra-budgetary receipts and disbursements, apart from security transactions, that must be taken into account in order to appraise our over-all cash position. In the past year we have had more than the usual amount of budgetary charges which did not involve cash expenditures, and consequently when we adjust our budgetary surplus for purely accounting items—such as the assumption of the Newfoundland debt, the revaluation of our assets and liabilities which are expressed in other currencies and the addition to our general reserve against active assets—we find that we have a cash surplus of $287 million as compared with the budgetary surplus of $111 million. To this we should add other receipts that do not constitute revenue, such as the increases in the trust accounts for the payment of annuities and pensions, and the increases in various other accounts on our books that we cannot treat as revenue. We must also take into account the repayments of loans and advances that have previously been made. These various receipts have added another $200 million to our cash. On the other hand, we must take into account heavy disbursements this year that do not appear on our books as expenditures. The largest of these has been the advances to the foreign exchange control board to acquire gold or United States dollars, which have amounted to $160 million. We have also disbursed $104 million in loans to the United Kingdom and other governments abroad, after taking into account repayments that we have received from such governments on other loans. We have also made substantial loans to the Central Mortgage and Housing Corporation and under the Veterans Land Act for housing and settlement purposes. Adding these and various small additional items of a similar character, we get a total of cash disbursements other than budgetary expenditures of $420 million. This leaves a cash surplus of $67 million, apart from security transactions. This year the net sales of securities out of our securities investment account, the account through which we employ our surplus cash balances, have totalled $430 million. Adding this to the $67 million cash surplus that I have just mentioned, we have a total of $497 million available to reduce outstanding public debt. Actually we used $486 million for this purpose, the remaining $11 million being our estimated increase in cash balances at the end of the year.

FINANCING OPERATIONS

In my budget address of October 20 last I outlined most of the major transactions in what has been a notable record of financing during the present fiscal year, and here I need only finish that outline and summarize the results for the year as a whole.

At that time I referred to the campaign just beginning for the sale of the fourth series of Canada savings bonds. That campaign proved highly successful; to date approximately one million buyers have purchased a total of $304 million of this fourth series. I wish again to pay my tribute to the splendid work which has been done both by voluntary and professional workers in promoting the sale of these bonds.

On March 1 this year three separate transactions took place. An issue of $550 million of ¾ per cent six months treasury notes was sold at par to the Bank of Canada to refund a similar issue maturing on that date. On the same date a $325 million issue sold in 1948 and held very largely by the banking system became due and was refunded by an issue of $325 million 3-year 1½ per cent bonds sold at 99·30 to yield 1·74 per cent per annum. Also on March 1 a new issue of $100 million of six months deposit certificates bearing interest at ¾ of one per cent per annum was sold to the chartered banks at par.

The results of our financial operations and of certain other factors on our funded debt for the fiscal year as a whole may be summarized as follows:

1. Our funded debt payable in sterling increased during the year by a net amount of $52·6 million as a result of the assumption of certain Newfoundland sterling indebtedness in accordance with the terms of union offset in part by the effect of the revaluation of sterling.

2. Our direct funded debt payable in United States funds increased by $100 million because of the sale of a new issue in New York to retire C.N.R. and national harbours board obligations which were guaranteed by the government of Canada—a flotation incidentally, which, as hon. members will recall, set a new record for Canada's credit in the United States market. The Canadian dollar equivalent of our funded debt payable in United States funds increased a further $39·8 million due to the revaluation of the Canadian dollar.

3. Finally, in regard to our funded debt payable in Canada, the amount of our obligations, including refundable taxes, which matured or were called during the year was no less than $3,137·4 million. We met $2,213·3 million of this amount by refunding or conversion into new issues, $338·2 million from the proceeds of new borrowing in the form of Canada savings bonds and deposit

certificates, and $430 million from the proceeds of sales of securities from securities investment account. Another $100 million in Canadian funds, not included in the cash surplus referred to above, was available from the proceeds of our issue in New York. The remaining cash required, $55·9 million, came from our cash surplus.

While I am on this subject, perhaps I may be permitted to deal with our probable financing requirements for the new fiscal year. As will be apparent from what I have to say later, I expect that we shall be able again next year to make some modest reduction in our funded debt from available cash resources but this reduction will certainly be much smaller than that effected this year. However, during the year there will become due or payable in Canada funded debt in the aggregate principal amount of $2,414·1 million.

Yesterday I made a public announcement to the effect that the government proposed to call for prior redemption on June 15, 1950, the first victory loan 3 per cent bonds which mature on June 15, 1951, and also on June 1, 1950, an issue of 3 per cent bonds sold in 1935 which mature on June 1, 1955. The amount required to pay off these called issues is approximately $745 million, and our cash resources will not, of course, be adequate for that purpose without a refunding loan. For that reason a new issue will be announced shortly before the time for payment of the called issues. It is expected that the new issue will include some longer term bonds suitable for general public investment as well as a substantial amount of short term bonds. This operation will result in a further reduction in the cost of interest on the public debt. Perhaps I should not let this occasion pass without again reminding all those who bought bonds during the war in such large numbers to examine their holdings and if they find they have any first victory loan bonds, make sure to turn them in on the call date, June 15 next, and thereby avoid any loss of interest.

FORECAST OF REVENUE AND EXPENDITURE, 1950-51

My forecast of our prospective revenue and expenditure for the new fiscal year is based on the expectations I noted earlier—that in general our national employment and income will be sustained at approximately the present level and that there will be a slight fall in average prices, more than offset by a slight increase in the volume of our production. Should conditions be better than this—as they could be if everything goes well—my forecast will be more than realized. Should economic conditions deteriorate, as they could, our revenue will fall off and our expenditure increase, as compared with the figures I am now putting forward.

In the light of what I have said, I expect that our present tax laws and other sources of revenue would produce in the next fiscal year a total revenue of about $2,430 million. For the convenience of hon. members and others, I have had prepared the usual table, comparing present forecasts with the figure for the year just closing, and I ask leave that this table be printed in *Hansard* at this point.

Forecast of Revenue

(Before tax changes)

	Fiscal year 1950-51 (Forecast)	Fiscal year 1949-50 (Actual-preliminary)
	(In millions of dollars)	
Customs import duties	$225·0	$229·0
Excise duties	213·0	215·5
Sales taxes (net)	400·0	404·1
Other excise taxes	153·0	163·9
Income taxes		
Individuals	530·0	611·5
Corporations	580·0	586·5
Interest, dividends, etc	46·0	45·5
Excess profits taxes	....	—2·5
Succession duties	29·0	28·5
Miscellaneous taxes	4·0	4·0
Total tax revenue	2180·0	2286·0
Non-tax revenue	200·0	203·0
Total ordinary revenue	2380·0	2489·0
Special receipts and credits	50·0	59·6
Grand total revenue	2430·0	2548·6

I should like to emphasize that our tax structure now is such that it is very sensitive to changes in employment and incomes, and relatively modest changes in these can have a more than proportionate effect upon our revenue.

The government became aware several months ago of these revenue prospects and of the desirability of keeping our expenditures this next year within the total revenue that we could foresee in the economic conditions I have described. We decided that we should plan to do this, and that, except in the event of a deterioration of economic conditions or an unexpected emergency, we should hold our expenditure in the coming year down to approximately $2,400 million. Consequently the treasury board, at the cabinet's direction, made substantial reductions in the estimates submitted by various departments, particularly those involving construction or the expansion of activities not of an urgent or highly productive nature. As a result, the main estimates, laid before the house on February 24 were held down to a total of about $2,309 million, despite the increase in costs of

social security and defence and the expenditures required for federal services in Newfoundland. Moreover, we propose to continue this same policy in considering supplementary estimates, unless a major change in the economic outlook occurs. However, we must anticipate some supplementary and further supplementary estimates, including substantial amounts for the 1950 deficits of the Canadian National Railways and Trans-Canada Air Lines. In addition, I would expect to make some provision in our accounts for reserves against our active assets and for contingent benefits under the Veterans Land Act. On the other hand we may expect some short-fall of expenditures below the limits provided in appropriation votes, but this is likely to be lower than in recent years, due to the outlook for more stable economic conditions and to the pressure put on the departments to keep estimates down to the minimum practicable amounts. All in all, I think we can reasonably expect to keep our expenditures in this new fiscal year to a total of about $2,410 million. On this basis our budget surplus should amount to around $20 million.

In so far as our prospective cash position is concerned, we must take into account non-cash items in revenue and expenditure and other cash receipts and disbursements. After adjusting our probable revenue and expenditure for non-cash items I believe we can expect a cash surplus somewhat higher than the budgetary surplus. To this we should add cash receipts in annuity, pension, and similar trust funds, and various deferred credits and suspense accounts. Taking all these items together we should have something in excess of $200 million dollars in cash over and above that required for cash expenditures.

Against this we must set our disbursements other than budgetary expenditure and redemption of our own securities. We shall probably require something over $100 million for housing loans and investments, including the married quarters program for the armed services, and nearly $30 million for Veterans Land Act loans. There will, I expect, be other minor loans and investments. There remains to be drawn $85 million under the United Kingdom loan agreement, but drawings on this loan will be offset in part by repayments on loans previously made to the United Kingdom and other governments abroad. On the whole, I would expect that our total cash disbursements would about balance with our total cash requirements for all purposes—apart from the sale, purchase, or redemption of our own securities, and apart from possible advances to or repayments by the foreign exchange control board because of changes in the size of our exchange reserves. As I have already indicated, it is impossible to forecast with any assurance whether our exchange reserves will increase or decrease by a significant amount and therefore whether we shall need to advance further Canadian funds to buy exchange, or can expect repayments on advances outstanding. On the whole I would not expect at present a movement in either direction large enough to affect our cash requirements to any important degree.

CONTINUING LEVEL OF EXPENDITURE

Our efforts to hold expenditures this coming year to the level I have described, despite the increases necessary for the social security legislation of last year and for defence, have caused me to realize that we must now expect for some time to have budgets as large as this one—that we must cope somehow with a continuing level of expenditure of $2,400 million, even in the absence of large scale economic difficulties or widespread unemployment. Our special post-war demobilization and transitional expenditures are now almost all behind us; we can expect a tapering off of some of the remaining payments for the veterans program and some of the other items which we have labelled "Terminable Services" in the estimates, but these we must expect to be offset by increases in other services required in normal times, particularly those on the development of natural resources. In years when economic conditions are adverse, we must expect not only lower revenues but higher expenditures to assist in overcoming these economic difficulties and to maintain satisfactory levels of employment and income. In good years we can hope to avoid such special expenditures and have buoyant revenues—but I doubt if the public or this House of Commons will really wish government services or activities to be reduced in years of prosperity to the degree necessary to get our expenditures much below this level of $2,400 million. If we get a substantial improvement in the international situation we may expect a reduction in defence costs that will materially lighten the burden on the budget, but it would be a bold man who would predict this with any confidence now.

Our union with Newfoundland has been warmly welcomed in every part of the country, and I am confident that the mutual advantages of this union will be demonstrated with increasing force as each year passes. But I think it is fair to remind the house that during the past year and over the next few years the accession of Newfoundland to Canada has imposed and will continue to impose a considerable net burden on the federal treasury. We share with our fellow citizens in Newfoundland a great confidence in their future, but in the meantime the social

and developmental costs to be borne or shared by the central government will involve large net financial outlays.

Payments to provinces for statutory subsidies and compensation under the tax rental agreements totalled $104 million in the current fiscal year, and for the remaining term of these agreements the annual payments to the provinces concerned will be even larger than this year, whether or not any downturn in economic activity should occur in the next year or two. As already announced, there will be another conference with the provinces this fall, and whatever may be the eventual outcome of that conference, I think it is fair to assume that its decisions will not result in a lessening of the net burden on the federal budget.

Naturally we hope to reduce expenditures by improved efficiency in operation and by economies in administration. We have been making good progress in this direction in recent years in many of our departments—quietly but effectively. Since it has been accompanied in many cases by an expansion in the work of the department or unit concerned, it is frequently not evident from the figures. We are pressing ahead further with this work, and building up a corps of efficient operating and administrative officers. But we should not delude ourselves with the belief that we can significantly alter the scale of the budget in this way. Our civilian payroll is only about $310 million a year out of total expenditures of $2,400 million, or about 12 cents out of every dollar spent. The other 88 cents goes either for transfer payments or is paid for goods and outside services. It is only by reducing government activities or social security payments that any major reductions can be made.

REASONS FOR EXPENDITURES

This is an important and serious conclusion. We should realize how this situation has come about. Mainly it has been by reason of war and the danger of future war. Our huge debt service is almost entirely a legacy of war. We have a heavy continuing charge for pensions and other provision for war veterans, and expenditures on defence now total $425 million. All told, then, we must provide something over a billion dollars a year because of past wars or the need to prevent future war. This huge outlay from which we get no tangible return is unfortunate—but let us remember that this, in addition to the blood and treasure expended in the past, is the price we pay for the personal freedom, the civil liberties, the democratic politics and the economic prosperity that we enjoy as part of the western world.

The second major category of expenditure that has brought us to budgets of this size is social security payments—old age pensions, family allowances, and unemployment insurance, as well as other smaller items. For these three huge programs we are having to provide $457 million next year. I need hardly point out that this house and those parties to which its members belong stoutly uphold the need for old age pensions on at least the present scale and we must, of course, make adequate provi-ion for the unemployed.

Our family allowances, though costly because of the huge numbers involved, are among the most constructive forms of social security; for they provide improved opportunities for health and education for the children of our country. We can expect in future years to gain material benefits from the better citizens this program makes possible.

Apart from these costs of defence and social security, there is a great variety of services provided to business and the public, on which we spend hundreds of millions each year but which are demanded just as are the services of business itself—the post office, the canals, the airports and airways, the wharves and harbours and river works, the aids to navigation, the technical services to agriculture and the fisheries, the foreign trade services, to assist our exporters and importers, the statistical services, the employment service, and others of a like character. Money spent on these provides services which the public use every day, whether they pay for them directly, as in the case of the post office, or indirectly, as in the case of most others.

Finally, I think it is important for the house to realize how much is being done to improve our productive resources in the future. Our health program, for example, for which we provide now over $40 million a year, is not only improving significantly the treatment of the sick, but making real strides in helping o reduce the amount of disease and illness. That will reflect itself in due course in our national production. We are now spending large sums in discovering, developing, improving and conserving our natural resources—through such departments as Agriculture, Fisheries, Mines and Technical Surveys and Resources and Development. This is valuable, sensible work that will increase our national income just as surely and effectively as much private business expenditure will. The same is true also of the extensive work in the field of scientific research, which has been greatly increased in scale and of which we may, I think, be justly proud.

I shall not try to enumerate all the classes of activities. I have said nothing, for example, of such an important one as our housing program. The point I wish to emphasize is that the public, the responsible political

parties, and this parliament have all willed the ends to which these efforts are directed, and it is here in the budget that we must provide the means. Unless we are prepared to reduce the scope or scale of government activities, we must now expect $2,400 million budgets in future years.

Nor can we escape the tax implications of this conclusion. We must have a tax system that will at least balance the budget in good years, in those times when private expenditures and exports will sustain our employment and incomes at high levels; for otherwise we should slide quickly into inflation at such times and pile up our national debt more quickly than we add to the economic and financial capacity of the nation to carry it.

The conclusion then which I reach is that no minister of finance in the foreseeable future will have an easier task than I have, namely, that of covering about $2,400 million of expenditure. In considering proposals for further major increases in our expenditures of a continuing nature, we must be ready to balance them with increased taxes. We can afford some modest increases in expenditures from year to year, or alternatively modest reductions in taxation, as our productivity and national income grow, but this dividend of progress is gradual and modest in size in relation to the ambitious plans that are so much in the air these days. What is important, I believe, is that we should now realize clearly that there is no prospective surplus from which proposed new programs of expenditure can be met. If the expenditure is worthwhile, it should be provided for by new or increased taxes or charges or by reducing some other services or activities of lower priority.

TAX POLICY AND TAX CHANGES

Given the conditions I have outlined, of continuing prosperity in which the positive and negative factors are rather evenly balanced, the wise and prudent fiscal policy calls for a balanced budget, or a budget which provides for no more than a modest surplus for the retirement of debt.

Last year I budgeted for a surplus of $87 million, and it now appears that we shall have a surplus of about $111 million. For the coming year I have already estimated expenditures at $2,410 million and revenues at existing tax rates of $2,430 million. That would leave us with a prospective surplus before tax changes of only $20 million. This leads me to conclude that no major changes in taxation would be wise this year. I am, therefore, proposing no important changes, but, as occurs each year, experience or changing circumstances require us to make a number of minor or technical changes in the tax laws, to remove anomalies, to secure greater equity, to clarify obscure points, or to meet special circumstances. In only two or three instances will there by any significant revenue implications in my proposals.

First, with regard to taxes on commodities, I propose that purchases by certain defined classes of institutions caring for orphans, the aged and the incapacitated be exempt from the sales tax effective July 1, 1950. The loss of revenue resulting from this change will not be large, but the saving in costs to these institutions will, I believe, be welcomed by those responsible for maintaining them. We have for many years exempted hospitals from the sales tax, and the institutions I have referred to are in many respects analogous to hospitals.

There is at present an extra five per cent tax on toilet soaps. For reasons which I shall not elaborate, chief among them the difficulty of drawing a clear line between toilet and laundry soaps, this tax has been very difficult to administer, and I am proposing that it be repealed effective midnight tonight. The loss of revenue will be about $600,000 in a full year.

The only other commodity tax change that I propose is the removal, effective midnight tonight, of the sales tax on ice cream, on drinks prepared from fresh milk and on prepared whipping cream. We have received strong representations from the dairy interests that the removal of this tax will give encouragement to the consumption of ice cream and dairy drinks at a time when sales of certain other milk products are declining. The loss of revenue in this item will be about $2 million in a full year.

The bill amending the Excise Tax Act giving effect to the above proposals will contain a number of other unimportant technical changes in the law.

As usual I wish to give public notice that no claims for refund arising out of the excise tax changes in respect of goods on which tax has been paid or is payable will be entertained by my colleague the Minister of National Revenue.

With regard to the Income Tax Act, no changes are being recommended in the rate

structure. However, I am proposing certain amendments which will be of specialized but fairly widespread interest.

Last year we made some changes in the corporate tax structure, including a reduction to 10 per cent in the tax on the first $10,000 of profit of corporations. This tax abatement was intended to allow the small businessman to retain a larger proportion of his profits for growth. It was necessary, in order to confine the benefits to those who were intended to receive it, to allow only one corporation in a group of related corporations to secure the lower rate. At the time of the last budget and since, I have received many representations on this point, and I have given careful study to the suggestions which have been made for a less rigid limitation. Under the law as introduced last year companies are related if one controls another or is controlled by another, or if they are subject to common control. It is proposed that these provisions be relaxed in order to relieve particularly the cases where there is a substantial minority interest in the corporation. Under the new proposal, mere control will not be the criterion. I think it will achieve our original intention if some higher percentage of ownership is adopted in defining what we mean by related companies. It is proposed that companies shall not be deemed to be related companies unless there is related ownership of common stock to the extent of 70 per cent or more. This, I believe, will allow a wider group to obtain the preferred rate on the first $10,000 of profit, and will take care of most of the reasonable complaints against the law as passed last year.

Last year parliament approved a new system for depreciation allowances. Following considerable discussion in the house it was agreed to allow farmers and fishermen to continue under the old system. I expressed the opinion at that time that farmers would probably be better off under the new system than under the old. Apparently after having studied the new system many farmers are now inclined to agree with that view. Accordingly it is proposed to give farmers and fishermen the option of adopting the new system. It will, of course, have to be provided that once a taxpayer elects to adopt the new system it will not be permissible to revert to the old system.

The special write-off privilege for exploration and prospecting expenses in the oil and mining industries should, we suggest, be extended by adding a further year to the present periods provided in the law. It is also proposed to repeal the provision in our law which imposes a corporation tax on the income received by a trustee for holders of oil royalties.

During the past year there has been considerable uncertainty in the mining industry with regard to the position of prospectors and those who are engaged in developing our mineral resources. From the early forties onward, it has been the practice to interpret the law as not subjecting to tax gains made by bona fide prospectors and developers in discovering and proving up mining properties. As the house knows, our Income Tax Act was completely rewritten, and the new act has been in force since the beginning of 1949. The new act contains no clear-cut authority for the practice which has been followed during the past decade. The position under the law of these important groups should be clarified, and we are proposing this year to introduce an amendment which should allay the fears of many who have in recent months been concerned about this matter.

Perhaps I might also take this opportunity, in view of recent public interest in the question, to assure the house that it is not the policy of the government to tax capital gains. Under any income tax law there is always a very difficult problem in drawing a line between gains which are profits from carrying on a trade or business and those which are not. To my knowledge no tax legislation has ever been passed in any country that has removed all doubts on this score. In England, where our basis of income tax had its origin, the matter has been settled almost entirely by the courts, taking into account the facts in each individual case. Much as I would like to introduce greater certainty, I do not believe that it can be done satisfactorily by legislation. We now have a readily available income tax appeal board that has been set up to determine questions of this sort. I might add that, in order to facilitate the appeal procedure, it is now proposed to allow members of the board to hear cases individually, and also to allow the taxpayer, if he wishes, to go direct to the exchequer court instead of being required to proceed first to the tax appeal board.

In the budget of last March I announced that I had been considering further legislation to deal with the position of closely-held companies where their growth had been financed out of retained profits. I now have definite proposals which will be placed before the house for consideration. The new sections are bound to be complicated, and I hesitate

to attempt to summarize them. I should, however, mention a few of the main features, with the warning that what I say cannot cover all the provisions which will have to be in the law.

Generally speaking, I propose to deal with the surpluses accumulated up to the end of 1949 in much the same way as surpluses up to the end of 1939 were dealt with in accordance with the recommendations of the Ives commission. This earlier legislation provided for a tax payable by the corporation, graduated, however, according to amounts receivable by individual shareholders. In the legislation now proposed, closely-held corporations may elect to pay a tax on undistributed income on hand at a flat rate of 15 per cent. This change will remove many of the troublesome problems encountered under the earlier legislation.

If the proposed legislation did no more than take care of past surpluses, a new problem with respect to the future would immediately start developing. I think it desirable, therefore, that the present legislation should provide a comprehensive solution to the problem as a whole rather than merely deal in ad hoc fashion with the past.

The Ives commission made a recommendation in respect of surpluses accruing after 1939 under which a proportion of annual profits might be retained by closely-held companies and be entirely free from personal income tax upon subsequent distribution. We have been giving a great deal of thought to this proposal but we feel that we cannot go quite as far as that recommendation. Under the proposals which we are recommending, a closely-held company may, to the extent that it pays out earnings in dividends, earn the right to capitalize an equivalent amount upon payment of a special tax of 15 per cent. It appeals to me as sensible to encourage these family corporations to pay reasonable dividends while at the same time making it possible for them to retain profits essential for growth and expansion without imposing on shareholders an almost impossible potential tax burden.

There will be proposed a number of other amendments of a technical character, but I need not burden the house with an attempt to explain them at this stage.

TARIFF PROPOSALS

When I presented the budget last October, I said that plans were under way for another set of multilateral trade negotiations under the general agreement on tariffs and trade. The concluding work on these plans is at present nearing completion in Geneva, where the countries participating in the general agreement are holding their fourth session. It has now been decided to hold the third round of tariff negotiations in Torquay, England, beginning September 28 of this year, and it is anticipated that some forty countries will take part. The proposed Torquay negotiations are a further step in the post-war program of international co-operation to reduce tariffs and remove other barriers which stand in the way of a freer flow of international trade. The original Geneva agreement of 1947 was widened last year at the Annecy conference to include ten additional countries. The main purpose of the Torquay conference will be to increase the value of the general agreement by expanding it to include more countries, to cover a broader range of commodities, and, in addition, to provide further tariff concessions on products previously negotiated. It is intended that at the conclusion of the Torquay conference all the tariff concessions resulting from the new negotiations, together with the original Geneva and Annecy tariff concessions, will be incorporated in a new set of tariff schedules which will run until January, 1954.

Canada will have an opportunity at Torquay to negotiate for further tariff reductions with the United States, the other participants in the Geneva and Annecy agreements, and also with a number of new countries. While the United States will, on this occasion, still be governed by the Reciprocal Trade Agreements Act which empowers the president to reduce tariffs by not more than 50 per cent of the 1945 rates, there is a considerable number of important items on which further concessions may be made.

I believe that in the present conditions of unbalanced world trade, the success of the Torquay conference will depend largely on the leadership given by the United States. If the United States is prepared to make significant tariff reductions, I am confident that these coming trade talks will make an important contribution to the restoration of a saner trading world. We in Canada are not unmindful of our own responsibility, and I can say that we will take this opportunity to consider appropriate adjustments in our customs tariff which should contribute to a better balance in our trade with the United States, the sterling area and western Europe.

In view of the important tariff negotiations which are scheduled to commence in a few months' time, the budget resolutions relating to the Customs Tariff which I am

tabling contain very few changes in so far as customs duties are concerned, but in order to facilitate the compilation of a new consolidation of the Customs Tariff, several hundred items have been renumbered and rearranged covering products in respect of which changes have been made in recent years as a result of tariff negotiations at Geneva and Annecy. These items which are shown in resolution 3 continue rates of duty that have been in effect for several years, except in the case of tin plate, on which the British preferential tariff is being increased from free to 15 per cent ad valorem. During the negotiations at Geneva in 1947 the elimination of this British preference, coupled with a reduction in the most-favoured-nation rate from 17½ to 15 per cent, was agreed to by the British and ourselves as an essential part of the bargain by which we obtained very important concessions in the United States tariff, and at that time Canada gave an undertaking to make this increase effective as soon as the necessary legislation could be enacted. It is proposed that resolution 3 go into effect on June 1, 1950.

My other tariff proposals, which for the reason mentioned are of only minor significance, are included in resolution 2. The tariff is being reduced on dates for packaging and on compounds imported mainly from the United Kingdom for the manufacture of phonograph records. The other changes are mainly for the purpose of facilitating administration and the elimination of obsolete phraseology. Somewhat related to this latter category is an amendment being proposed in connection with the tariff item covering biological products. For some years the administrative authorities have held that penicillin and similar antibiotics were dutiable as chemicals. An importer appealed this ruling and his appeal was allowed by the tariff board. The decision of that board is now before the exchequer court. The whole field is one in which there have been important technological and industrial developments in recent years, and there is a need for investigation of all the pertinent facts and clarification of the tariff situation. What we are now proposing therefore is to insert in the tariff an appropriate definition of biological products to maintain the existing practice, and then refer the whole question of biological products to the tariff board for thorough investigation and considered recommendation. The tariff changes in resolution 2 which cover about twenty-five items will go into effect tomorrow.

I should add that the amendments being made to the Customs Tariff in these budget resolutions will not affect in any way the carrying out of the provisions and intent of the Emergency Exchange Conservation Act.

REVISED ESTIMATES AFTER TAX CHANGES

I may now summarize the effects of the proposed tax changes on the balance of revenues and expenditures. The various tax reductions which I have proposed should not in all involve a loss of revenue of more than $3 million. The revenue from the new tax available to closely-held companies in respect of accumulated earnings cannot be predicted, because we cannot tell how many of these companies will elect to take advantage of the new provisions in the next fiscal year. The revenue we receive could be quite large. I believe that it will at least be sufficient to offset the reductions just mentioned.

This, then, leaves our expected expenditures at $2,410 million, our expected revenues at $2,430 million, and our expected surplus for the coming year at $20 million.

CONCLUSION

There is little that I need add, Mr. Speaker, by way of conclusion. Canada is in a prosperous state of economic health. There are difficulties and uncertainties ahead of us; but when in our history have we been without difficulties and uncertainties? During the past year Canada has demonstrated the soundness and the resilience of her economy.

My hon. friends opposite have been discovering imminent crises and catastrophes almost every month for the past two years or more, and almost every month our trade has increased, our employment has increased, and new resources are discovered or developed. We all know, of course, that our geography and the nature of many of our basic resources make us vulnerable to sudden economic changes in the countries with which we do the greater part of our trade. But I suggest to all my hon. friends opposite that the calamities they fear are not imminent, and that if at some future time we have to face serious difficulties we shall find that we have never been better equipped and prepared to resolve them.

I wish now to table the budget resolutions:

INCOME TAX ACT

Resolved that it is expedient to amend the Income Tax Act and to provide, amongst other things:—

1. That for the 1949 and subsequent taxation years, the provision under which the 10 per cent tax rate on the first $10,000 of income of a corporation

applies only to one of several related companies be amended so that the test of relationship of companies shall be ownership of 70 per cent or more of all the issued common shares of capital stock of the corporation instead of mere control.

2. That in order to permit a private company to pay tax on undistributed income so that it may capitalize the undistributed income, the company may elect

(a) to pay a tax of 15 per cent on undistributed income held by the corporation at the end of the 1949 taxation year and

(b) to pay a tax of 15 per cent on undistributed income earned thereafter equal to the dividends distributed from time to time by the corporation during the period when the undistributed income was earned.

3. That for the 1949 and subsequent taxation years, there shall not be included in computing income amounts received in consideration for mining properties by prospectors who have prospected, explored or developed the properties, or by persons who have financed prospectors to do so, other than persons who carry on the business of dealing with the public in shares or securities or who dispose of the shares after carrying on a campaign to sell them to the public.

4. That special deductions from income to taxpayers whose principal business is the production, refining, or marketing of petroleum or petroleum products or the exploring or drilling for oil or natural gas or mining or exploring for minerals, be allowed for expenses incurred in the 1953 operations on the same basis as for expenses in the operations in the years 1949 to 1952.

5. That special deductions from income and taxes to taxpayers whose principal business is production, refining or marketing of petroleum or drilling for petroleum be allowed for expenses incurred in respect of deep-test oil wells in 1951 operations on the same basis as for similar expenses in 1950 operations.

6. That for the 1950 and subsequent taxation years, section 73 of the Income Tax Act, which imposes a tax on income from oil royalty rights held by a trustee as if the trustee was a corporation, be repealed.

7. That for the 1950 and subsequent taxation years, section 18 of the Income Tax Act, under which lease-option or hire purchase or like agreements relating to movable property are deemed to be agreements for sale and the payments to be purchase price and the purchaser to be the owner for purposes of depreciation, be extended to apply to all property except real or immovable property used in the business of farming.

8. That a non-resident be exempt from the 15 per cent tax on dividends received by non-residents in respect of dividends received by him from a company resident in Canada that derives substantially all of its income, directly or indirectly, from the operation of public utilities in the country in which the non-resident resides.

9. That individuals who were resident in Newfoundland on March 31, 1949, may, for the purposes of computing tax payable by them, elect to report their actual incomes for the whole year 1949 instead of that for the period after March 31, 1949, which is now adjusted to an amount that would correspond to his income for the whole year for the purpose of computing the tax.

THE EXCISE TAX ACT

Resolved that it is expedient to introduce a measure to amend The Excise Tax Act and to provide, amongst other things:—

1. That the excise tax of 5 per cent on toilet soap be repealed effective on and after March 29, 1950.

[Mr. Abbott.]

2. That the sales tax on the following articles be repealed effective on and after March 29, 1950—ice cream; drinks prepared from fresh milk; prepared whipping cream.

3. That the sales tax on the following articles and materials be repealed effective on and after July 1, 1950: Articles and materials for the sole use of any bona fide public institution, certified to be such by the Department of National Health and Welfare in accordance with regulations approved by the governor in council, whose principal purpose is to provide permanent or semi-permanent shelter and care in residence for children or for aged, infirm or incapacitated persons, and that is in receipt annually of aid for their maintenance from the government of Canada or of a province when those articles or materials are purchased in good faith by that public institution for its own use and not for resale.

CUSTOMS TARIFF

1. Resolved, that it is expedient to introduce a measure to amend the Customs Tariff, being Chapter forty-four of the Revised Statutes of Canada, 1927, as amended, as follows:—

(a) By repealing subsection four of section five and substituting the following:—

"4. The said discount shall not apply in the case in which the duty does not exceed fifteen per centum ad valorem, or, in the case of a specific duty or a specific and ad valorem duty combined in which the computed rate does not exceed fifteen per centum ad valorem, or where the rate of customs duty under the British Preferential Tariff is the same as the rate of customs duty under the Most-Favoured-Nation Tariff, or to goods admitted into Canada which have the benefit of reductions provided for in the Canada-West Indies Trade Agreement, 1926."

(b) By repealing section fourteen and substituting the following:—

"14. (1) The ad valorem rate of duty set forth in Tariff Items 84, 85, 87, 92, 94 or 95 in Schedule A applies to goods specified in the Item imported at any time except during a period in which an order of the Minister under subsection two has applied the rate of specific duty set forth in the Item in lieu of the ad valorem rate of duty in which case the rate of specific duty set forth in the Item applies to goods imported during that period.

(2) The Minister may order that the rate of specific duty set out in a Tariff Item mentioned in subsection one shall apply to goods specified in the Item in lieu of the rate of ad valorem duty set forth therein for such period during each fiscal year as may be fixed by the Minister not exceeding the number of weeks mentioned in the Item: Provided, that, in the case of sub-items (b), (d), (e), (f), (g), or (i), of Tariff Item 87, the Minister may order that the rate of specific duty shall apply during two separate periods in a fiscal year but the number of weeks in the two periods shall not exceed the number specified in that sub-item.

(3) The Minister may exclude from an order made under subsection two, either at the time of making the order or at any time thereafter, goods to which the order would otherwise apply imported through ports in a specified region or part of Canada during the whole or any part of the period mentioned in the order in which case the ad valorem rate of duty applies to the goods so imported."

(c) By repealing subsection three of section sixteen and substituting the following:—

"16. (3) All such goods imported into Canada after the date of the coming into force of any such

order of the Governor in Council which do not comply with the requirements of such order shall not be released from Customs possession until they have been so marked, stamped, branded or labelled under customs supervision at the expense of the importer."

2. Resolved, that Schedule A to the Customs Tariff be amended by striking thereout tariff items 16, 17, 28b, 77, 99e, 101b, 206a, 208v, 209d, 446h, 480a, 520c, 558b (a) and (b), 558d (a) and (b), 605a, 607, 696a, 705, 705a, 709 (a) and (b), 779 and 779a, the several enumerations of goods respectively and the several rates of duties of customs, if any, set opposite each of the said items, and by inserting the following items, enumerations and rates of duty in said Schedule A:—

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
16	Eggs in the shell.....per dozen	2 cts.	3½ cts.	10 cts.	2 cts.	3½ cts.	10 cts. or countervailing duty.
17	Cheese.....per pound	3 cts.	3½ cts.	7 cts.	3 cts.	3½ cts.	7 cts. (weight of packages up to two pounds included).
77	Beans, viz.:—Tonquin, crude only; locust beans; locust beans, roasted or ground; locust bean meal..	Free	Free	Free	Free; 15 p.c.	Free; 20 p.c.	Free; 25 p.c.
99e	(1) Dates, dried, pitted, when in packages or containers weighing not less than ten pounds each. per pound	Free	Free	1 ct.	1 ct.	1½ cts.	2½ cts.
	(2) Dates, n.o.p.....per pound When in packages weighing two pounds each, or less, the weight of such packages to be included in the weight for duty.	1 ct.	1½ cts.	2½ cts.	1 ct.	1½ cts.	2½ cts.
206a	(1) Serums, antitoxins, viruses, toxins, toxoids, vaccines and allergenic products, n.o.p., for parenteral administration in the diagnosis or treatment of diseases of man.....	Free	Free	Free	Free	Free	Free
	(2) Biological products, animal or vegetable, n.o.p., for parenteral administration in the diagnosis or treatment of diseases of animals or poultry, when imported under permit of the Veterinary Director General.....	Free	Free	Free	Free	Free	Free
208v	Methyl ethyl ketone, n.o.p., and isopropyl acetate...	Free	25 p.c.	25 p.c.	Free	25 p.c.	25 p.c.
209d	Potash, chlorate of, not further prepared than ground	Free	15 p.c.	20 p.c.	Free	15 p.c.	20 p.c.
216g	Compounds, of which the chief organic component is shellac, imported by manufacturers of phonograph records for use exclusively in the manufacture of phonograph records in their own factories.....	Free	5 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
220c	Gasoline anti-oxidants for use in the production of gasoline.....	15 p.c.	20 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.

284b	Gypsum tile	15 p.c.	20 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
446h	Stampings of metal, or assemblies thereof, for use in the manufacture of bath tubs	Free	10 p.c.	25 p.c.	Free	10 p.c.	25 p.c.
453a	Metal parts, n.o.p., in any degree of manufacture but not coated, plated nor covered in any manner, for use exclusively in the manufacture of spectacle cases and jewellery boxes	10 p.c.	12½ p.c.	35 p.c.	10 p.c.; 10 p.c.	12½ p.c.; 25 p.c.	35 p.c.; 35 p.c.
480a	Invalid wheel chairs, with or without motive power; parts of the foregoing, including motive power and parts thereof	Free	10 p.c.	15 p.c.	Free	10 p.c.	15 p.c.
520c	Linters of short fibres of cotton, bleached, when imported by manufacturers of paper, for use exclusively in the manufacture of blotting or other grade of paper, in their own factories	Free	10 p.c.	12½ p.c.	Free	10 p.c.	12½ p.c.
558b	Rovings, yarns and warps wholly of synthetic textile fibres or filaments, not more advanced than singles, not coloured, with not more than seven turns to the inch, under such regulations as the Minister may prescribe:—						
	(a) Produced from cellulose acetate	5 p.c.	25 p.c.	35 p.c.	5 p.c.	25 p.c.	35 p.c.
	Provided that, in no case, shall the duty under the Most-Favoured-Nation or the General Tariff be less than ... per pound	.....	24 cts.	28 cts.	.....	24 cts.	28 cts.
	(b) N.o.p.	20 p.c.	25 p.c.	35 p.c.	20 p.c.	25 p.c.	35 p.c.
	Provided that, in no case, shall the duty under the Most-Favoured-Nation or the General Tariff be less than ... per pound	.....	24 cts.	28 cts.	.....	24 cts.	28 cts.
558d	Rovings, yarns and warps wholly or in part of synthetic textile fibres or filaments, n.o.p., including threads, cords or twist for sewing, embroidering or other purposes, not to contain silk; yarns of synthetic textile fibres or filaments wholly or partially covered with metallic strip, one pound of which shall contain not less than 10,000 yards; under such regulations as the Minister may prescribe:—						
	(a) Produced wholly from cellulose acetate	7½ p.c.	25 p.c.	35 p.c.	7½ p.c.	25 p.c.	35 p.c.
	Provided that, in no case, shall the duty under the Most-Favoured-Nation or the General Tariff be less than ... per pound	.....	24 cts.	28 cts.	.....	24 cts.	28 cts.
	(b) N.o.p.	25 p.c.	25 p.c.	35 p.c.	25 p.c.	25 p.c.	35 p.c.
	Provided that, in no case, shall the duty under the Most-Favoured-Nation or the General Tariff be less than ... per pound	.....	24 cts.	28 cts.	.....	24 cts.	28 cts.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
605a	Genuine pig leathers, n.o.p., and genuine Morocco leathers; so-called roller leathers	Free	20 p.c.	27½ p.c.	Free	20 p.c.	27½ p.c.
607	Leather, n.o.p., when imported by manufacturers of gloves or leather clothing, for use exclusively in manufacturing gloves or leather clothing in their own factories	Free	7½ p.c.	10 p.c.	Free	7½ p.c.	10 p.c.
696a	Moving picture films, sound or silent, separate sound film track, slides and slide films, positive or negative; sound discs, records and transcriptions; models, static and moving; wall charts, maps and posters; when certified by the Government or by a recognized representative authority of the Government of the country of production or by an appropriate representative of the United Nations Educational, Scientific and Cultural Organization as being of an international educational, scientific or cultural character; subject to such regulations as the Minister may prescribe	Free	Free	Free	Free (various)	Free (various)	Free (various)
705	Settlers' effects, viz.:—Wearing apparel, books, usual and reasonable household furniture and other household effects; instruments and tools of trade, occupation or employment, guns, musical instruments, domestic sewing machines, typewriters, bicycles, carts, wagons and other highway vehicles, agricultural implements and live stock for the farm, not to include live stock or articles for sale, or for use as a contractor's outfit, nor vehicles nor implements moved by mechanical power, nor machinery for use in any manufacturing establishment; all the foregoing if actually owned abroad by the settler for at least six months before his removal to Canada, and subject to regulations prescribed by the Minister	Free	Free	Free	Free	Free	Free
	Provided that the six months' ownership requirement as specified in this Item shall not apply in the case of bona fide brides' trousseaux and wedding presents.						

705 *Con.*	Provided further that any dutiable article entered as settlers' effects may not be so entered unless brought by the settler on his first arrival, and shall not be sold or otherwise disposed of without payment of duty until after twelve months' actual use in Canada.							
705a	Settlers' effects, viz.:—Machines and implements for agricultural purposes, moved by mechanical power, and motor vehicles valued at not more than fifteen hundred dollars, and boats for fishing purposes, if actually owned abroad by the settler for at least six months before his removal to Canada, and subject to regulations prescribed by the Minister of National Revenue.							
	Provided that in respect to motor vehicles valued in excess of fifteen hundred dollars duty shall be payable only on the amount in excess of fifteen hundred dollars.							
	Provided further that the said machines, vehicles, implements and boats may not be so entered unless brought by the settler on his first arrival, and shall not be sold or otherwise disposed of without payment of duty until after twelve months' actual use in Canada.....	Free	Free	Free	Free; Free	Free; 17½ p.c.	Free; 27½ p.c.	
709	(a) Goods, including containers or coverings filled or empty, the growth, produce or manufacture of Canada, after having been exported therefrom...	Free	Free	Free	Free	Free	Free	
	(b) Goods, including containers or coverings filled or empty, which have once been entered for consumption in Canada and have been exported therefrom.....	Free	Free	Free	Free	Free	Free	
	All the foregoing under such regulations as the Minister may prescribe.							
	Provided that the goods are returned within five years from the time of exportation without having been advanced in value or improved in condition by any process of manufacture or other means, or combined with any other article abroad;							
	Provided also that any such goods on which a refund of duty or allowance of drawback has been made shall not be admitted to entry under this tem except upon payment of duties equal to the refund or drawback allowed;							

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
709 —*Con.*	Provided further that any of such goods manufactured in bond or under excise regulations in Canada and exported shall not be admitted to entry except upon payment of the Customs or Excise duties to which they would have been liable had they not been exported from Canada; Provided further that where the Minister is satisfied that a quantity of containers in a usable condition has previously been exported from Canada he may by regulation permit the importation free of customs duty of a like quantity of similar containers which are not the growth, produce or manufacture of Canada						

3. Resolved, that Schedule A to the Customs Tariff be amended by striking thereout tariff items 5(a) (b) and (c), 7(a) (b) and (c), 8, 8a, 13, 22, 23, 26, 27, 28, 28a, 29, 29a, 30, 31, 39a, 39b, 41, 45, 47, 62, 62a, 66a, 74, 75, 76, 76a, 76b, 76c, 76d, 79b, 79c, 79d, 81(a) (b) and (c), 82(a) (b) (i) and (ii) (c) (i) and (ii) (d) and (e), 83(a) (b) and (c), 84, 85, 87 (a) (b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (l) (m) (n) (o) and (p), 89(a) (b) (c) and (d), 92 (a) (b) (c) (d) (e) (f) (g) (h) and (i), 93, 94, 95, 99c, 100, 100a, 105, 105b, 105c, 105d, 105e, 106(a) (b) and (c), 106d, 108, 109, 109a, 109b, 110, 111, 114, 120(a) (b) (c) and (d), 123, 123a, 141, 152, 152a, 152b, 152c, 154, 156, 160(a) and (b), 161, 162, 163, 163a, 167, 178(i) and (ii), 178a, 178b, 179, 184a, 184b (i) and (ii), 184c, 184d, 199b, 207, 207a, 207b, 208i (i) and (ii), 208j, 208t, 232, 232a, 247a, 254, 254a, 262, 264, 264a, 266, 273, 273a, 276, 276a, 276b, 277, 277a, 278, 278a, 278b, 278c, 278d, 284, 305, 306, 307, 326(i) and (ii), 353, 353a, 366, 366a, 366b, 368, 383(b), 384 (a) and (b), 402b, 414, 414a, 414c, 429(g), 430b (I) and (II), 434, 440m (i) and (ii), 440g, 446g, 450, 451b (i) and (ii), 518, 519, 520, 522c, 523, 523(b), 523l, 523n, 524a, 532, 549, 549a, 549b, 553, 554e, 568b, 569 (i), 569 (ii), 569 (iii), 569 (iv), 569 (v), 569a (i), 569a (ii), 571, 571a (i) and (ii), 597, 597a, 598, 598a, 604, 605, 607 Pt. 2, 607a, 611a, 616(i) (ii) and (iii), 619a, 624a (i) (ii) and (iii), 654, 655, 656 and 710(b) and (bb), the several enumerations of goods respectively and the several rates of duties of customs, if any, set opposite each of the said items, and by inserting the following items, enumerations and rates of duty in said Schedule A:

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
5	Animals, living, n.o.p.:—						
	(a) Cattle.....per pound	Free	1½ cts.	3 cts.	Free	1½ cts.	3 cts.
	(b) Sheep, lambs and goats.....per head	Free	$2.00	$3.00	Free	$2.00	$3.00
	(c) Silver or black foxes.....	Free	20 p.c.	25 p.c.	Free	20 p.c.	25 p.c.
	(d) N.o.p.....	Free	7½ p.c.	25 p.c.	Free	7½ p.c.	25 p.c.
7	Meats, fresh, n.o.p.:—						
	(a) Beef and veal..... per pound	3 cts.	3 cts.	8 cts.	3 cts.	3 cts.	8 cts.
	(b) Edible offal of beef and veal.....per pound but not less than	1½ cts. 7½ p.c.	1½ cts. 7½ p.c.	8 cts.	1½ cts. 7½ p.c.	1½ cts. 7½ p.c.	8 cts.
	(c) Lamb and mutton.....per pound	4 cts.	6 cts.	8 cts.	4 cts.	6 cts.	8 cts.
	(d) Pork.....per pound	1¼ cts.	1¼ cts.	5 cts.	1¼ cts.	1¼ cts.	5 cts.
	(e) N.o.p.....per pound	2 cts.	2½ cts.	5 cts.	2 cts.	2½ cts.	5 cts.
8	Canned beef.....	15 p.c.	30 p.c.	35 p.c.	15 p.c.	30 p.c.	35 p.c.
8a	Canned pork.....	15 p.c.	30 p.c.	35 p.c.	15 p.c.	30 p.c.	35 p.c.
8b	Canned hams.....	15 p.c.	22½ p.c.	35 p.c.	15 p.c.	22½ p.c.	35 p.c.
8c	Pâtés de foie gras, foies gras, preserved, in tins or otherwise; lark pâtés.....	10 p.c.	10 p.c.	35 p.c.	10 p.c.	10 p.c.	35 p.c.
8d	Animal liver paste.....	15 p.c.	20 p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
8e	Canned meats, n.o.p.....	15 p.c.	20 p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
8f	Canned poultry or game, n.o.p.....	15 p.c.	20 p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
8g	Extracts of meat and fluid beef, not medicated.....	10 p.c.	30 p.c.	35 p.c.	10 p.c.	30 p.c.	35 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
13	Lard and animal stearine of all kinds, n.o.p. per pound	1½ cts.	1¾ cts.	2 cts.	1½ cts.	1¾ cts.	2 cts.
13a	Lard compound and similar substances; cottolene ..... per pound	1½ cts.	1¾ cts.	2 cts.	1½ cts.	1¾ cts.	2 cts.
15a	Honey-comb foundations, of wax.....	15 p.c.	15 p.c.	20 p.c.	15 p.c.	15 p.c.	20 p.c.
20c	Shea butter.....	Free	10 p.c.	10 p.c.	Free	10 p.c.	10 p.c.
22	Preparations of cocoa or chocolate in powder form....	22½ p.c.	22½ p.c.	35 p.c.	22½ p.c.	22½ p.c.	35 p.c. or 3 cts. per lb. whichever is higher.
23	Preparations of cocoa or chocolate, n.o.p., and confectionery, coated with or containing chocolate, the weight of the wrappings and cartons to be included in the weight for duty.....	10 p.c.	20 p.c.	35 p.c.	10 p.c.	20 p.c.	35 p.c.
	and, per pound	2½ cts.	2½ cts.	2½ cts.	2½ cts.	2½ cts.	2½ cts.
26	Coffee, roasted or ground..... per pound	3 cts.	5 cts.	5 cts.	3 cts. or 3 cts. and 7½ p.c.	5 cts. or 5 cts. and 10 p.c.	5 cts. or 5 cts. and 10 p.c.
26a	Imitations of and substitutes for roasted or ground coffee, including acorn nuts..... per pound	3 cts.	5 cts.	5 cts.	3 cts.	5 cts.	5 cts.
28	Coffee, green, n.o.p..... per pound	Free	2 cts.	5 cts.	Free	2 cts.	5 cts. or 5 cts. and 10 p.c.
28a	Tea..... per pound	Free	2 cts.	8 cts.	Free or 4 cts.	2 cts. or 6 cts.	8 cts. or 10 cts.
	When in packages weighing five pounds, each, or less, the weight of such packages to be included in the weight for duty.						
30	Pepper, unground.....	Free	5 p.c.	12½ p.c.	Free	5 p.c.	12½ p.c.
30a	Cloves, unground.....	Free	10 p.c.	12½ p.c.	Free	10 p.c.	12½ p.c.
30b	Cinnamon, unground.....	Free	12½ p.c.	12½ p.c.	Free	12½ p.c.	12½ p.c.
30c	Ginger, unground.....	Free	12½ p.c.	12½ p.c.	Free	12½ p.c.	12½ p.c.
30d	Spices, unground, n.o.p.....	Free	12½ p.c.	12½ p.c.	Free	12½ p.c.	12½ p.c.
30e	Chilli pepper, unground.....	Free	5 p.c.	12½ p.c.	Free	5 p.c.	12½ p.c.

31	Chilli pepper, ground.....and per pound	5 p.c.	7½ p.c.	10 p.c. 3 cts.	5 p.c.	7½ p.c.	10 p.c. 3 cts.
31a	Ginger and spices, ground, n.o.p.....per pound and	3 cts. 7½ p.c.	3 cts. 10 p.c.	3 cts. 10 p.c.	3 cts. 7½ p.c.	3 cts. 10 p.c.	3 cts. 10 p.c.
39a	Starch or flour of sago, cassava, or rice....per pound	¾ ct.	1¼ cts.	1¼ cts.	¾ ct.	1¼ cts.	1¼ cts.
39b	Rice meal, rice feed, rice polish, rice bran, rice shorts per pound	¾ ct.	1 ct.	1¼ cts.	¾ ct.	1 ct.	1¼ cts.
39f	Arrowroot.....per pound	Free	1½ cts.	1½ cts.	Free	1½ cts.	1½ cts.
41	Salt, n.o.p., in bags, barrels and other coverings per one hundred pounds	Free	3½ cts.	7½ cts.	Free	3½ cts.	7½ cts.
45	Milk foods, n.o.p.....	20 p.c.	20 p.c.	27½ p.c.	20 p.c.	20 p.c.	27½ p.c.
45a	Prepared cereal foods, in packages not exceeding twenty-five pounds weight each.....	20 p.c.	20 p.c.	27½ p.c.	20 p.c.	20 p.c.	27½ p.c.
47	Castor beans, n.o.p.....per pound	Free	Free	2 cts.	Free	Free	2 cts.
47a	Soya beans, n.o.p.....per pound	Free	Free	2 cts.	Free	Free	2 cts.
47b	Lima and Madagascar beans, dried.....per pound	Free	½ ct.	2 cts.	Free	½ ct.	2 cts.
47c	Red kidney beans, dried.....per pound	Free	1 ct.	2 cts.	Free	1 ct.	2 cts.
47d	Calabar beans.....per pound	Free	Free	2 cts.	Free	Free	2 cts.
47e	Beans, n.o.p.....per pound	Free	1½ cts.	2 cts.	Free	1½ cts.	2 cts.
54	Hominy grits, corn grits, hominy feeds, and brewers' corn grits.....	10 p.c.	10 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
62	Rice, uncleaned, unhulled or paddy.....	Free	Free	Free	Free	Free	Free
66a	Biscuits, sweetened or unsweetened, valued at not less than 20 cents per pound, said value to be based on the net weight and to include the value of the usual retail package.....	Free	20 p.c.	30 p.c.	Free	20 p.c.	30 p.c.
73a	Cotton seed.....	Free	Free	10 p.c.	Free	Free	10 p.c.
73b	Broom corn seed, when in packages weighing more than one pound each.....	Free	Free	15 p.c.	Free	Free	15 p.c.
74	Seeds, as hereunder, when in packages weighing more than one pound each:—						
	(a) Parsley and parsnip.....per pound	Free	2 cts.	5 cts.	Free	2 cts.	5 cts.
	(b) Beet, not including sugar beet.....per pound	Free	2 cts.	5 cts.	Free	2 cts.	5 cts.
	(c) Mangel and turnip.....per pound	Free	2 cts.	5 cts.	Free	2 cts.	5 cts.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget: British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
75	Seeds, as hereunder, when in packages weighing more than one pound each:—						
	(a) Radish, leek, lettuce, carrot, borecole or kale.....per pound	Free	2 cts.	10 cts.	Free	2 cts.	10 cts.
	(b) Cabbage and cucumber.....per pound	Free	4 cts.	10 cts.	Free	4 cts.	10 cts.
76	Seeds, as hereunder, when in packages weighing more than one pound each:—						
	(a) Tomato and pepper.....per pound	Free	7½ cts.	25 cts.	Free	7½ cts.	25 cts.
	(b) Cauliflower.....per pound	Free	12½ cts.	25 cts.	Free	12½ cts.	25 cts.
	(c) Onion.....per pound	Free	15 cts.	25 cts.	Free	15 cts.	25 cts.
76d	Root, garden and other seeds, n.o.p., when in package weighing more than one pound each....per pound	Free	2½ cts.	10 cts.	Free	2½ cts.	10 cts.
76e	Seeds, viz.:—Field, root, garden and other seeds, when in packages weighing one pound each, or less	15 p.c.	20 p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
76f	Annatto seed and mushroom spawn.....	Free	Free	Free	Free	Free	Free
76g	Seeds, viz.:—Canary, mustard, celery and sunflower, when in packages weighing more than one pound each imported for use exclusively in manufacturing or blending operations.....	5 p.c.	7½ p.c.	10 p.c.	5 p.c.	7½ p.c.	10 p.c.
79b	Orchids, natural, cut, whether in designs or bouquets or not.....	Free	25 p.c.	40 p.c.	Free	25 p.c.	40 p.c.
79c	Flowers and foliage, natural, cut, whether in designs or bouquets or not, n.o.p.....	Free	12½ p.c.	40 p.c.	Free	12½ p.c.	40 p.c.
79d	Trees, being seedling stock for grafting, viz.:—Apple, plum, pear, peach and other fruit trees, and buds and scions for grafting such trees; peach pits for planting purposes.....	Free	Free	Free	Free	Free	Free
	Mulberry trees, cuttings, roots and buds, for sericultural purposes.....	Free	Free	30 p.c.	Free	Free	30 p.c.
	Trees, n.o.p., viz.:—						
	(a) Apple:—						
	September 15 to October 5, inclusive.....each	Free	3 cts.	3 cts.	Free	3 cts.	3 cts.
	October 6 to September 14, inclusive.....each	Free	6 cts.	7½ cts.	Free	6 cts.	7½ cts.

81 —*Con.*	*(b)* Plum and cherry:—						
	September 15 to October 5, inclusive.....each	Free	3 cts.	3 cts.	Free	3 cts.	3 cts.
	October 6 to September 14, inclusive.....each	Free	8 cts.	9 cts.	Free	8 cts.	9 cts.
	(c) Pear, apricot and quince.....each	Free	8 cts.	9 cts.	Free	8 cts.	9 cts.
	(d) Peach, including June buds.....each	Free	5 cts.	6 cts.	Free	5 cts.	6 cts.
82a	Grape vines, gooseberry and currant bushes or roots.....each	Free	2 cts.	2½ cts.	Free	2 cts.	2½ cts.
82b	Raspberry, loganberry and blackberry bushes or roots.....each	Free	1 ct.	1 ct.	Free	1 ct.	1 ct.
82c	Rhubarb roots.....each	Free	¾ ct.	1 ct.	Free	¾ ct.	1 ct.
82d	Asparagus roots.....each	Free	⅛ ct.	¼ ct.	Free	⅛ ct.	¼ ct.
82e	Strawberry plants.....each	Free	¼ ct.	¼ ct.	Free	¼ ct.	¼ ct.
82f	Rosebushes, n.o.p.....each	1½ cts.	3 cts.	7 cts.	1½ cts.	3 cts.	7 cts.
82g	Nut trees, including grafted stock, and buds and scions for grafting nut trees.....	Free	Free	30 p.c.	Free	Free	30 p.c.
82h	Trees, shrubs, vines, plants, roots and cuttings, for propagation or growing purposes, n.o.p.....	12½ p.c.	12½ p.c.	30 p.c.	12½ p.c.	12½ p.c.	30 p.c.
83	Potatoes, as hereunder defined:—						
	(a) In their natural state:—						
	August 1 to June 14, inclusive..... per one hundred pounds	Free	Free	75 cts.	Free	Free	75 cts. (countervailing)
	June 15 to July 31, inclusive..... per one hundred pounds	Free	37½ cts.	75 cts.	Free	37½ cts.	75 cts. (countervailing)
	(b) Dried, desiccated, or dehydrated....per pound	Free	Free	2¾ cts.	Free	Free	2¾ cts.
	(c) Sweet potatoes and yams, in their natural state .....per one hundred pounds	Free	Free	15 cts.	Free	Free	15 cts.
84	Onions, in their natural state, the weight of the packages to be included in the weight for duty:—						
	(a) Onion sets and shallots.....	Free	15 p.c.	30 p.c.	Free	15 p.c.	30 p.c. but not less than ¾ ct. per pound.
	(b) Onions, n.o.p.....per pound	Free	1 ct. or 10 p.c.	1 ct. or 10 p.c.	Free	1 ct. or 10 p.c.	30 p.c. but not less than ¾ ct. per pound.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
	Provided that, when the onions specified in sub-item *(b)* of Item 84 are imported under the Most-Favoured-Nation or General Tariff the specific duty of one cent per pound shall not be maintained in force in any twelve months ending March 31 for a period in excess of 40 weeks, and whenever the specific duty of one cent per pound is not levied the ad valorem duty of 10 per centum shall apply.						
85	*(a)* Mushrooms, fresh, the weight of the packages to be included in the weight for duty...per pound	Free	3½ cts. or 10 p.c.	3½ cts. or 10 p.c.	Free	3½ cts. or 10 p.c.	30 p.c. but not less than 10 cts. per pound.
	Provided that, when the mushrooms specified in sub-item *(a)* of Item 85 are imported under the Most-Favoured-Nation or General Tariff the specific duty of three and one-half cents per pound shall not be maintained in force in any twelve months ending March 31 for a period in excess of 52 weeks, and whenever the specific duty of three and one-half cents per pound is not levied the ad valorem duty of 10 per centum shall apply.						
	(b) Mushrooms, dried or otherwise preserved.....	Free	15 p.c.	30 p.c.	Free	15 p.c.	30 p.c. but not less than 10 cts. per pound.
	(c) Truffles, fresh, dried or otherwise preserved...	Free	10 p.c.	30 p.c.	Free	10 p.c.	30 p.c. but not less than 10 cts. per pound.
87	Vegetables, fresh, in their natural state, the weight of the packages to be included in the weight for duty:—						
	(a) Asparagus.....per pound	Free	3½ cts. or 10 p.c.	3½ cts. or 10 p.c.	Free	3½ cts. or 10 p.c.	30 p.c. but not less than 3 cts. per pound from Apr. 15, to May 31.
	Provided that, when the asparagus specified in sub-item *(a)* of Item 87 is imported under the Most-Favoured-Nation or General Tariff the specific duty of three and one-half cents per pound shall not be maintained in force in any twelve months ending March 31 for a period in excess of 8 weeks, and whenever the specific duty of three and one-half cents per pound is not levied the ad valorem duty of 10 per centum shall apply.						

(b) Beans, green.....per pound Provided that, when the beans specified in sub-item *(b)* of Item 87 are imported under the Most-Favoured-Nation or General Tariff the specific duty of one and one-half cents per pound shall not be maintained in force in any twelve months ending March 31 for a period in excess of 14 weeks and the number of weeks during which the specific duty may be maintained in force may be divided into two separate periods, the combined duration of which shall not exceed 14 weeks; and Provided that, whenever the specific duty of one and one-half cents per pound is not levied the ad valorem duty of 10 per centum shall apply.	Free	1½ cts. or 10 p.c.	1½ cts. or 10 p.c.	Free	1½ cts. or 10 p.c.	30 p.c.
(c) Brussels sprouts.....	Free	10 p.c.	30 p.c.	Free	10 p.c.	30 p.c.
(d) Cabbage.....per pound Provided that, when the cabbage specified in sub-item *(d)* of Item 87 is imported under the Most-Favoured-Nation or General Tariff the specific duty of nine-tenths of one cent per pound shall not be maintained in force in any twelve months ending March 31 for a period in excess of 26 weeks and the number of weeks during which the specific duty may be maintained in force may be divided into two separate periods, the combined duration of which shall not exceed 26 weeks; and Provided that, whenever the specific duty of nine-tenths of one cent per pound is not levied the ad valorem duty of 10 per centum shall apply.	Free	9/10 ct. or 10 p.c.	9/10 ct. or 10 p.c.	Free	9/10 ct. or 10 p.c.	30 p.c. but not less than 1 ct. per pound from June 15 to Jan. 31.
(e) Carrots and beets, n.o.p.....per pound Provided that, when the carrots and beets specified in sub-item *(e)* of Item 87 are imported under the Most-Favoured-Nation or General Tariff the specific duty of one cent per pound shall not be maintained in force in any twelve months ending March 31 for a period in excess of 26 weeks and the number of weeks during which the specific duty may be maintained in force may be divided into two separate periods, the combined duration of which shall not exceed 26 weeks; and Provided that, whenever the specific duty of one cent per pound is not levied the ad valorem duty of 10 per centum shall apply.	Free	1 ct. or 10 p.c.	1 ct. or 10 p.c.	Free	1 ct. or 10 p.c.	30 p.c. but not less than 1 ct. per pound from June 1, to Feb. 28.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
87 —*Con.*	*(f)* Cauliflower.....per pound Provided that, when the cauliflower specified in sub-item *(f)* of Item 87 is imported under the Most-Favoured-Nation or General Tariff the specific duty of three-quarters of one cent per pound shall not be maintained in force in any twelve months ending March 31 for a period in excess of 20 weeks and the number of weeks during which the specific duty may be maintained in force may be divided into two separate periods, the combined duration of which shall not exceed 20 weeks; and Provided that, whenever the specific duty of three-quarters of one cent per pound is not levied the ad valorem duty of 10 per centum shall apply.	Free	¾ ct. or 10 p.c.	¾ ct. or 10 p.c.	Free	¾ ct. or 10 p.c.	30 p.c. but not less than 2 cts. per pound from May 15, to Oct. 31.
	(g) Celery.....per pound Provided that, when the celery specified in sub-item *(g)* of Item 87 is imported under the Most-Favoured-Nation or General Tariff the specific duty of one cent per pound shall not be maintained in force in any twelve months ending March 31 for a period in excess of 24 weeks and the number of weeks during which the specific duty may be maintained in force may be divided into two separate periods, the combined duration of which shall not exceed 24 weeks; and Provided that, whenever the specific duty of one cent per pound is not levied the ad valorem duty of 10 per centum shall apply.	Free	1 ct. or 10 p.c.	1 ct. or 10 p.c.	Free	1 ct. or 10 p.c.	30 p.c. but not less than 2 cts. per pound from July 1, to Feb. 28.
	(h) Cucumbers.....per pound Provided that, when the cucumbers specified in sub-item *(h)* of Item 87 are imported under the Most-Favoured-Nation or General Tariff the specific duty of two and one-quarter cents per pound shall not be maintained in force in any twelve months ending March 31 for a period in excess of 12 weeks, and whenever the specific duty of two and one-quarter cents per pound is not levied the ad valorem duty of 10 per centum shall apply.	Free	2¼ cts. or 10 p.c.	2¼ cts. or 10 p.c.	Free	2¼ cts. or 10 p.c.	30 p.c. but not less than 1 ct. per pound from June 1, to Oct. 31.

(i) Lettuce.....per pound Provided that, when the lettuce specified in sub-item *(i)* of Item 87 is imported under the Most-Favoured-Nation or General Tariff the specific duty of one cent per pound shall not be maintained in force in any twelve months ending March 31 for a period in excess of 18 weeks and the number of weeks during which the specific duty may be maintained in force may be divided into two separate periods, the combined duration of which shall not exceed 18 weeks; and Provided that, whenever the specific duty of one cent per pound is not levied the ad valorem duty of 10 per centum shall apply.	Free	1 ct. or 10 p.c.	1 ct. or 10 p.c.	Free	1 ct. or 10 p.c.	30 p.c. but not less than 1½ cts. per pound from April 1, to Oct. 31.
(j) Parsley.....	Free	10 p.c.	30 p.c.	Free	10 p.c.	30 p.c.
(k) Peas, green..... Provided that, when the peas specified in sub-item *(k)* of item 87 are imported under the Most-Favoured-Nation or General Tariff the specific duty of two cents per pound shall not be maintained in force in any twelve months ending March 31 for a period in excess of 12 weeks, and whenever the specific duty of two cents per pound is not levied the ad valorem duty of 10 per centum shall apply.	Free	2 cts. or 10 p.c.	2 cts. or 10 p.c.	Free	2 cts. or 10 p.c.	30 p.c.
(l) Rhubarb.....per pound Provided that, when the rhubarb specified in sub-item *(l)* of Item 87 is imported under the Most-Favoured-Nation or General Tariff the specific duty of one-half cent per pound shall not be maintained in force in any twelve months ending March 31 for a period in excess of 10 weeks, and whenever the specific duty of one-half cent per pound is not levied the ad valorem duty of 10 per centum shall apply.	Free	½ ct. or 10 p.c.	½ ct. or 10 p.c.	Free	½ ct. or 10 p.c.	30 p.c. but not less than 1 ct. per pound from Mar. 1, to May 31.
(m) Spinach.....	Free	10 p.c.	30 p.c.	Free	10 p.c.	30 p.c. but not less than 1 ct. per pound from May 1, to Oct. 31.

55946—80

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
87 —Con	*(n)* Tomatoes.....per pound	Free	1½ cts. or 10 p.c.	1½ cts. or 10 p.c.	Free	1½ cts. or 10 p.c.	30 p.c. but not less than 3 cts. per pound.
	Provided that, when the tomatoes specified in sub-item *(n)* of Item 87 are imported under the Most-Favoured-Nation or General Tariff the specific duty of one and one-half cents per pound shall not be maintained in force in any twelve months ending March 31 for a period in excess of 32 weeks, and whenever the specific duty of one and one-half cents per pound is not levied the ad valorem duty of 10 per centum shall apply.						
	(o) Watercress.....	Free	10 p.c.	30 p.c.	Free	10 p.c.	30 p.c.
	(p) Whitloof or endive, artichokes, horseradish and okra.....	Free	Free	30 p.c.	Free	Free	30 p.c.
	(q) Eggplant.....	Free	Free	30 p.c.	Free	Free	30 p.c. but not less than 2 cts. per pound from May 15, to Oct. 31.
	(r) N.o.p.....	Free	10 p.c.	30 p.c.	Free	10 p.c.	30 p.c.
89	Vegetables, prepared, in air-tight cans or other air-tight containers, the weight of the containers to be include in the weight for duty:—						
	(a) Beans, baked or otherwise prepared.per pound	Free	1½ cts.	3 cts.	Free	1½ cts.	3 cts.
	(b) Corn.....per pound	Free	1½ cts.	3 cts.	Free	1½ cts.	3 cts.
	(c) Tomatoes.....per pound	Free	2 cts.	3 cts.	Free	2 cts.	3 cts.
	(d) Peas.....per pound	Free	1½ cts.	3 cts.	Free	1½ cts.	3 cts.
	(e) N.o.p.....	Free	15 p.c.	30 p.c.	Free	15 p.c.	30 p.c.
90f	Vegetable colourings and flavourings.....	10 p.c.	10 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
92	Fruits, fresh, in their natural state, the weight of the packages to be included in the weight for duty:—						
	(a) Apricots.....per pound	Free	1 ct. or 10 p.c.	1 ct. or 10 p.c.	Free	1 ct. or 10 p.c.	20 p.c. but not less than 1 ct. per pound from June 15 to Aug. 15.

Provided that, when the apricots specified in sub-item *(a)* of Item 92 are imported under the Most-Favoured-Nation or General Tariff the specific duty of one cent per pound shall not be maintained in force in any twelve months ending March 31 for a period in excess of 10 weeks, and whenever the specific duty of one cent per pound is not levied the ad valorem duty of 10 per centum shall apply.						
(b) Cherries.....per pound	Free	2 cts. or 10 p.c.	2 cts. or 10 p.c.	Free	2 cts. or 10 p.c.	20 p.c. but not less than 2 cts. per pound.
Provided that, when the cherries specified in sub-item *(b)* of Item 92 are imported under the Most-Favoured-Nation or General Tariff the specific duty of two cents per pound shall not be maintained in force in any twelve months ending March 31 for a period in excess of 7 weeks, and whenever the specific duty of two cents per pound is not levied the ad valorem duty of 10 per centum shall apply.						
(c) Cranberries.....per pound	Free	1 ct. or 10 p.c.	1 ct. or 10 p.c.	Free	1 ct. or 10 p.c.	20 p.c. but not less than 2½ cts. per pound.
Provided that, when the cranberries specified in sub-item *(c)* of Item 92 are imported under the Most-Favoured-Nation or General Tariff the specific duty of one cent per pound shall not be maintained in force in any twelve months ending March 31 for a period in excess of 12 weeks, and whenever the specific duty of one cent per pound is not levied the ad valorem duty of 10 per centum shall apply.						
(d) Peaches.....per pound	Free	1½ cts. or 10 p.c.	1½ cts. or 10 p.c.	Free	1½ cts. or 10 p.c.	20 p.c. but not less than 1½ cts. per pound from July 20 to Oct. 1.
Provided that, when the peaches specified in sub-item *(d)* of Item 92 are imported under the Most-Favoured-Nation or General Tariff the specific duty of one and one-half cents per pound shall not be maintained in force in any twelve months ending March 31 for a period in excess of 9 weeks, and whenever the specific duty of one and one-half cents per pound is not levied the ad valorem duty of 10 per centum shall apply.						

55946—80½

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
92 —Con.	*(e)* Pears.....per pound.	Free	1 ct. or 10 p.c.	1 ct. or 10 p.c.	Free	1 ct. or 10 p.c.	20 p.c. but not less than ¾ ct. per pound from Aug. 1 to Dec. 31.
	Provided that, when the pears specified in sub-item *(e)* of Item 92 are imported under the Most-Favoured-Nation or General Tariff the specific duty of one cent per pound shall not be maintained in force in any twelve months ending March 31 for a period in excess of 15 weeks, and whenever the specific duty of one cent per pound is not levied the ad valorem duty of 10 per centum shall apply.						
	(f) Plums and prunes.....per pound	Free	1 ct. or 10 p.c.	1 ct. or 10 p.c.	Free	1 ct. or 10 p.c.	20 p.c. but not less than ¾ ct. per pound from July 15 to Oct. 31.
	Provided that, when the plums and prunes specified in sub-item *(f)* of Item 92 are imported under the Most-Favoured-Nation or General Tariff the specific duty of one cent per pound shall not be maintained in force in any twelve months ending March 31 for a period in excess of 10 weeks, and whenever the specific duty of one cent per pound is not levied the ad valorem duty of 10 per centum shall apply.						
	(g) Strawberries.....per pound	Free	1-3/5 cts. or 10 p.c.	1-3/5 cts. or 10 p.c.	Free	1-3/5 cts. or 10 p.c.	20 p.c. but not less than 3 cts. per pound from June 1 to July 31.
	Provided that, when the strawberries specified in sub-item *(g)* of Item 92 are imported under the Most-Favoured-Nation or General Tariff the specific duty of one and three-fifth cents per pound shall not be maintained in force in any twelve months ending March 31 for a period in excess of 6 weeks, and whenever the specific duty of one and three-fifth cents per pound is not levied the ad valorem duty of 10 per centum shall apply.						
	(h) Raspberries and loganberries.....per pound	Free	2 cts. or 10 p.c.	2 cts. or 10 p.c.	Free	2 cts. or 10 p.c.	20 p.c. but not less than 3 cts. per pound from June 1 to July 31.
	Provided that, when the raspberries and loganberries specified in sub-item *(h)* of Item 92 are imported under the Most-Favoured-Nation or General Tariff the specific duty of two cents per						

	pound shall not be maintained in force in any twelve months ending March 31 for a period in excess of 6 weeks, and whenever the specific duty of two cents per pound is not levied the ad valorem duty of 10 per centum shall apply.						
	(i) Berries, edible, n.o.p.	Free	10 p.c.	20 p.c.	Free	10 p.c.	20 p.c. but not less than 2 cts. per pound.
	(j) Quinces and nectarines	Free	10 p.c.	20 p.c.	Free	10 p.c.	20 p.c. but not less than 1 ct. per pound.
93	Apples, fresh, in their natural state, the weight of the packages to be included in the weight for duty:—						
	May 20 to July 12, inclusive	Free	Free	20 p.c.	Free	Free	20 p.c. but not less than 3/5 ct. per pound.
	July 13 to May 19, inclusive.....per pound	Free	¾ ct.	20 p.c.	Free	¾ ct.	20 p.c. but not less than 3/5 ct. per pound.
94	Grapes, fresh, in their natural state, the weight of the packages to be included in the weight for duty:—						
	(a) Vitis Vinifera species.....per pound	Free	Free	2 cts.	Free	Free	2 cts.
	(b) Vitis Labrusca species.....per pound	Free	1 ct. or 10 p.c.	1 ct. or 10 p.c.	Free	1 ct. or 10 p.c.	2 cts.
	Provided that, when the grapes specified in sub-item *(b)* of Item 94 are imported under the Most-Favoured-Nation or General Tariff the specific duty of one cent per pound shall not be maintained in force in any twelve months ending March 31 for a period in excess of 15 weeks, and whenever the specific duty of one cent per pound is not levied the ad valorem duty of 10 per centum shall apply.						
95	Cantaloupes and muskmelons, the weight of the packages to be included in the weight for duty .....per pound	Free	1¼ cts. or 10 p.c.	1¼ cts. or 10 p.c.	Free	1¼ cts. or 10 p.c.	20 p.c. but not less than 1½ cts. per pound from July 20 to Oct. 31.
	Provided that, when imported under the Most-Favoured-Nation or General Tariff the specific duty of one and one-quarter cents per pound shall not be maintained in force in any twelve months ending March 31 for a period in excess of 8 weeks, and whenever the specific duty of one and one-quarter cents per pound is not levied the ad valorem duty of 10 per centum shall apply.						
99c	Raisins.....per pound	**Free**	**3 cts.**	**4 cts.**	Free	**3 cts.**	**4 cts.**
	When in packages weighing two pounds each, or less, the weight of such packages to be included in the weight for duty.						

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget: British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
99h	Dried currants.....per pound When in packages weighing two pounds each, or less, the weight of such packages to be included in the weight for duty.	Free	4 cts.	4 cts.	Free	4 cts.	4 cts.
100	Grapefruit.....per pound	Free	Free	1 ct.	Free	Free	1 ct.
105	Fruit pulp, with sugar or not, n.o.p, and fruits, crushed.....per pound	1½ cts.	2 cts.	3 cts.	1½ cts.	2 cts.	3 cts.
105b	Olives, ripe, in brine.....	Free	Free	30 p.c.	Free	Free	30 p.c.
105c	Olives, sulphured or in brine, not bottled.....	10 p.c.	17½ p.c.	30 p.c.	10 p.c.	17½ p.c.	30 p.c.
105d	Cherries, sulphured or in brine, not bottled.....	10 p.c.	17½ p.c.	30 p.c.	10 p.c.	17½ p.c.	30 p.c.
105e	Fruits and nuts, pickled or preserved in salt, brine, oil, or any other manner, n.o.p.....	20 p.c.	25 p.c.	35 p.c.	20 p.c.	25 p.c.	35 p.c.
105f	Jellies, jams, marmalades, preserves, fruit butters and condensed mincemeats.....per pound	1½ cts.	3¼ cts.	5 cts.	1½ cts.	3¼ cts.	5 cts.
105g	Fruits and peels, crystallized, glacé, candied or drained; cherries and other fruits of crème de menthe, maraschino or other flavour.....	20 p.c.	27½ p.c.	35 p.c.	20 p.c.	27½ p.c.	35 p.c.
105h	Oranges, grapefruit, or lemons, sliced or in the form of pulp, with or without the addition of preservatives.	Free	20 p.c.	35 p.c.	Free; 20 p.c.	20 p.c.; 25 p.c.	35 p.c.; 35 p.c.
105i	Fruits, frozen.....per pound	1½ cts.	2 cts.	3 cts.	1½ cts.	2 cts.	3 cts.
106	Fruits, prepared, in air-tight cans or other air-tight containers, the weight of the containers to be included in the weight for duty:—						
	(a) Peaches.....per pound	2 cts.	2½ cts.	5 cts.	2 cts.	2½ cts.	5 cts.
	(b) Apricots and pears.....per pound	2 cts.	2 cts.	5 cts.	2 cts.	2 cts.	5 cts.
	(c) Pineapples.....per pound	1 ct.	2 cts.	5 cts.	1 ct.	2 cts.	5 cts.
	(d) N.o.p.....per pound	1 ct.	1 ct.	5 cts.	1 ct.	1 ct.	5 cts.
108	Honey in the comb or otherwise, and imitations thereof.....per pound	1½ cts.	1½ cts.	3 cts.	1½ cts.	1½ cts.	3 cts.

109	Nuts of all kinds, n.o.p., shelled or not.....per pound	1 ct.	1 ct.	3 cts.	1 ct.	1 ct.	2 cts.; 4 cts.
109a	Peanuts, green, in the shell or not further processed than shelled.....per pound	Free	Free	1 ct.	Free	Free	1 ct.
110	Cocoanuts.....per one hundred.....	Free	50 cts.	75 cts.	Free	50 cts.	75 cts.; $1.00
114	Palm kernels.....per pound	Free	Free	4 cts.	Free	Free	4 cts.
118	Lobsters, fresh.....	Free	Free	25 p.c.	Free	Free	25 p.c.
118b	Crabs and clams, in sealed containers.....	17½ p.c.	40 p.c.	40 p.c.	17½ p.c.	40 p.c.	40 p.c.
118c	Shrimps in sealed containers.....	15 p.c.	15 p.c.	40 p.c.	15 p.c.	15 p.c.	40 p.c.
119	Sardines, sprats or pilchards, packed in oil or otherwise, in sealed tin containers, the weight of the tin container to be included in the weight for duty:—						
	(a) When weighing over twenty ounces and not over thirty-six ounces each.....per box	3½ cts.	3½ cts.	6 cts.	3½ cts.	3½ cts.	6 cts.
	(b) When weighing over twelve ounces and not over twenty ounces each.....per box	2½ cts.	3 cts.	4½ cts.	2½ cts.	3 cts.	4½ cts.
	(c) When weighing over eight ounces and not over twelve ounces each.....per box	2 cts.	2 cts.	3½ cts.	2 cts.	2 cts.	3½ cts.
	(d) When weighing eight ounces each or less..per box	1¼ cts.	1½ cts.	2½ cts.	1¼ cts.	1½ cts.	2½ cts.
120	Anchovies, packed in oil or otherwise, in sealed tin containers, the weight of the tin container to be included in the weight for duty:—						
	(a) When weighing over twenty ounces and not over thirty-six ounces each.....per box	3½ cts.	3½ cts.	6 cts.	3½ cts.	3½ cts.	6 cts.
	(b) When weighing over twelve ounces and not over twenty ounces each.....per box	2½ cts.	3 cts.	4½ cts.	2½ cts.	3 cts.	4½ cts.
	(c) When weighing over eight ounces and not over twelve ounces each.....per box	2 cts.	2 cts.	3½ cts.	2 cts.	2 cts.	3½ cts.
	(d) When weighing eight ounces each or less per box	1¼ cts.	1½ cts.	2½ cts.	1¼ cts.	1½ cts.	2½ cts.
123	Fish, prepared or preserved, n.o.p.:—						
	(a) Kippered herring in sealed containers.....	17½ p.c.	17½ p.c.	30 p.c	17½ p.c.	17½ p.c.	30 p.c.
	(b) Lobsters.....	17½ p.c.	22½ p.c.	30 p.c.	17½ p.c.	22½ p.c.	30 p.c.
	(c) Shell fish, n.o.p., including oysters, n.o.p.....	17½ p.c.	22½ p.c.	30 p.c.	17½ p.c.	22½ p.c.	30 p.c.
	(d) Salmon.....	17½ p.c.	27½ p.c.	30 p.c.	17½ p.c.	27½ p.c.	30 p.c.
	(e) All other fish, n.o.p.....	17½ p.c.	22½ p.c.	30 p.c.	17½ p.c.	22½ p.c.	30 p.c.
141	Sugar candy and confectionery, n.o.p., including sweetened gums, candied popcorn, candied nuts, flavouring powders, custard powders, jelly powders, sweetmeats, sweetened breads, cakes, pies, puddings and all other confections containing sugar..... and, per pound	15 p.c.	25 p.c.	35 p.c. ½ ct.	15 p.c.	25 p.c.	35 p.c. ½ ct.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
152	Fruit juices and fruit syrups, n.o.p., viz.:—						
	(a) Lime juice	10 p.c.	10 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
	(b) Orange juice	Free	10 p.c.	25 p.c.	Free 10 p.c.	10 p.c. 10 p.c.	25 p.c. 25 p.c.
	(c) Lemon juice	10 p.c.	10 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
	(d) Passion fruit juice	10 p.c.	10 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
	(e) Pineapple juice	10 p.c.	10 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
	(f) Grapefruit juice	Free	15 p.c.	25 p.c.	Free; 10 p.c.	15 p.c.; 15 p.c.	25 p.c.; 25 p.c.
	(g) Blended orange and grapefruit juice	Free	10 p.c.	25 p.c.	Free	10 p.c.	25 p.c.
	(h) Fruit juices, n.o.p.	10 p.c.	10 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
	(i) Fruit syrups, n.o.p.	10 p.c.	10 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
153a	Grape juice in containers of more than one gallon capacity each:—						
	Testing not more than 1·074 specific gravity at 60 degrees temperature.....per gallon	20 cts.	25 cts.	25 cts.	20 cts.	25 cts.	25 cts.
	And in addition thereto, for each increment of 0·01 in specific gravity above 1·074	3 cts.	3 cts.	3 cts.	3 cts.	3 cts.	3 cts.
153b	Papaine	Free	5 p.c.	17½ p.c.	Free	5 p.c.	17½ p.c.
154	Mineral and medicinal waters, natural, under regulations prescribed by the Minister	Free	Free	Free	Free; 15 p.c.	Free; 20 p.c.	Free; 25 p.c.
156	(a) Whisky.....per gallon of the strength of proof	$4.50	$5.00	$10.00	$4.50	$5.00	$10.00
	(b) Gin, n.o.p.....per gallon of the strength of proof	$4.50	$5.00	$10.00	$4.50	$5.00	$10.00
	(c) Rum, n.o.p...per gallon of the strength of proof	$4.50	$6.00	$10.00	$4.50	$6.00	$10.00
	(d) Brandy.....per gallon of the strength of proof	$4.00	$4.00	$10.00	$4.00	$4.00	$10.00
	(e) Liqueurs.....per gallon of the strength of proof	$4.50	$4.50	$10.00	$4.50	$4.50	$10.00
	(f) Ethyl alcohol or the substance commonly known as alcohol, hydrated oxide of ethyl or spirits of wine, n.o.p.; spirituous or alcoholic liquors, n.o.p.; amyl alcohol or fusel oil, or any substance known as potato spirits or potato oil; absinthe, arrack or palm spirit, artificial brandy and imitations of brandy, n.o.p.; cordials of all kinds, n.o.p.; mescal, pulque, rum shrub, schiedam and other schnapps; tafia, and alcoholic bitters or beverages, n.o.p.; and wines, n.o.p., containing more than forty per cent of proof spirit.....per gallon of the strength of proof	$5.00	$10.00	$10.00	$5.00	$10.00	$10.00

	Provided, (1) that when the goods specified in Item 156 are of greater or less strength than the strength of proof, the measurement thereof and the amount of duty payable thereon shall be increased or decreased in proportion for any greater or less strength than the strength of proof. Provided, (2) that bottles and flasks and packages of gin, rum, whisky and brandy of all kinds, and imitations thereof, shall be held to contain the following quantities (subject to the provisions for addition or deduction in respect of the degree of strength) viz.:— Bottles, flasks and packages, containing not more than three-fourths of a gallon per dozen, as three-fourths of a gallon per dozen; Bottles, flasks and packages, containing more than three-fourths of a gallon but not more than one gallon per dozen, as one gallon per dozen; Bottles, flasks and packages, containing more than one gallon but not more than one and one-half gallon per dozen, as one and one-half gallon per dozen; Bottles, flasks and packages, containing more than one and one-half gallon but not more than two gallons per dozen, as two gallons per dozen; Bottles, flasks and packages, containing more than two gallons but not more than two and four-fifths gallons per dozen, as two and four-fifths gallons per dozen; Bottles, flasks and packages, containing more than two and four-fifths gallons but not more than three gallons per dozen, as three gallons per dozen; Bottles, flasks and packages, containing more than three gallons but not more than three and one-fifth gallons per dozen, as three and one-fifth gallons per dozen. Provided, (3) that bottles or phials of liquors for special purposes, such as samples not for sale to the trade, may be entered for duty according to actual measurement, under regulations prescribed by the Minister.						
157d	Angostura bitters....per gallon of the strength of proof	$2.00	$5.00	$10.00	**$2.00**	**$5.00**	**$10.00**
9b	Nitrous ether, sweet spirits of nitre and aromatic spirits of ammonia .....per gallon and	$3.00 30 p.c.	$3.00 30 p.c.	$3.00 30 p.c.	**$3.00** **30 p.c.**	**$3.00** **30 p.c.**	**$3.00** **30 p.c.**

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
160	Alcoholic perfumes:—						
	(a) When in bottles or flasks containing not more than four ounces each	30 p.c.	30 p.c.	90 p.c.	30 p.c.	30 p.c.	90 p.c.
	(b) When in bottles, flasks or other packages, containing more than four ounces each.....per gallon	$5.00	$5.00 30 p.c.	$5.00 40 p.c.	$5.00	$5.00 30 p.c.	$5.00 40 p.c.
	and						
161	Perfumed spirits, bay rum, cologne and lavender waters, lotions, hair, tooth and skin washes, and other toilet preparations containing spirits of any kind:—						
	(a) When in bottles or flasks containing not more than four ounces each	30 p.c.	45 p.c.	90 p.c.	30 p.c.	45 p.c.	90 p.c.
	(b) When in bottles, flasks or other packages, containing more than four ounces each.....per gallon	$5.00	$5.00 30 p.c.	$5.00 40 p.c.	$5.00	$5.00 30 p.c.	$5.00 40 p.c.
	and						
162	*(a)* Vermouth, aperitif and cordial wines, containing thirty-two per cent or less of proof spirit, whether imported in wood or in bottles...per gallon	20 cts.	20 cts.	55 cts. 30 p.c.	20 cts.	20 cts.	80 p.c. ad val.
	and						
	Provided, that six quart bottles or twelve pint bottles shall be held to contain a gallon for duty purposes under this item.						
	(b) Vermouth, aperitif and cordial wines, containing more than thirty-two per cent of proof spirit and not more than forty per cent of proof spirit	80 p.c.	80 p.c.	80 p.c.	80 p.c.	80 p.c.	80 p.c.
	(c) Medicinal or medicated wines, n.o.p., including ginger wine, containing not more than forty per cent of proof spirit	80 p.c.	80 p.c.	80 p.c.	80 p.c.	80 p.c.	80 p.c.
163	(1) Wines of the fresh grape of all kinds, not sparkling, imported in barrels or in bottles, for sacramental purposes, containing not more than twenty-six per cent of proof spirit.....per gallon	20 cts.	20 cts.	55 cts. 30 p.c.	20 cts.	20 cts.	55 cts. 30 p.c.
	and						

	(2) Wines of all kinds, n.o.p., including orange, lemon, strawberry, raspberry, elder and currant wines, containing twenty-four per cent or less of proof spirit, whether imported in wood or in bottles.....per gallon and	20 cts.	20 cts.	55 cts. 30 p.c.	20 cts.	20 cts.	55 cts. 30 p.c.
	(3) Wines of all kinds, n.o.p., including orange, lemon, strawberry, raspberry, elder and currant wines, containing more than twenty-four per cent but not more than twenty-six per cent of proof spirit, whether imported in wood or in bottles.....per gallon and	55 cts.	55 cts.	55 cts. 30 p.c.	55 cts.	55 cts.	55 cts. 30 p.c.
	And in addition thereto, for each degree of strength in excess of twenty-six per cent of proof spirit until the strength reaches forty per cent of proof spirit.....	3 cts.	3 cts.	3 cts.	3 cts.	3 cts.	3 cts.
	Provided, that six quart bottles or twelve pint bottles shall be held to contain a gallon for duty purposes under this Item.						
163a	(1) Prune wine, not sparkling, when containing not more than twenty-six per cent of proof spirit .....per gallon and	25 cts.	55 cts.	55 cts. 30 p.c.	25 cts.	55 cts.	55 cts. 30 p.c.
	(2) Prune wine, not sparkling, when containing more than twenty-six per cent of proof spirit and not more than thirty-eight per cent of proof spirit .....per gallon and	25 cts.	55 cts.	55 cts. 30 p.c.	25 cts.	55 cts.	55 cts. 30 p.c.
	And in addition thereto, for each degree of strength in excess of twenty-six per cent of proof spirit until the strength reaches thirty-eight per cent of proof spirit.....		3 cts.	3 cts.		3 cts.	3 cts.
	Provided, that six quart bottles or twelve pint bottles shall be held to contain a gallon for duty purposes under this Item.						
167	Malt, whole, crushed or ground, n.o.p., upon entry for warehouse subject to excise regulations....per pound	1/3 ct.	1/3 ct.	3/4 ct.	1/3 ct.	1/3 ct.	¾ ct.
167a	Malt flour, n.o.p., upon entry for warehouse subject to excise regulations.....per pound	1/3 ct.	1/2 ct.	3/4 ct.	1/3 ct.	½ ct.	¾ ct.
172a	Tourist literature issued by national or state governments or departments thereof, boards of trade, chambers of commerce, municipal and automobile associations, and similar organizations.....	Free	Free	Free	Free	Free	Free

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
172b	Prayer books, missals, psalters, religious pictures and mottoes, not to include frames.....	Free	Free	Free	Free	Free	Free
178	Advertising and printed matter, viz.:—Advertising pamphlets, advertising show cards, illustrated advertising periodicals; price books, catalogues and price lists; advertising almanacs and calendars; patent medicine or other advertising circulars, fly sheets or pamphlets; advertising chromos, chromotypes, oleographs or like work produced by any process other than hand painting or drawing, and having any advertisement or advertising matter printed, lithographed or stamped thereon, or attached thereto, including advertising bills, folders and posters, or other similar artistic work, lithographed, printed or stamped on paper or cardboard for business or advertisement purposes, n.o.p.						
	per pound	5 cts.	10 cts.	15 cts.	5 cts.	10 cts.	15 cts.
	but not less than	....	25 p.c.	35 p.c.	.....	25 p.c.	35 p.c.
	(a) Provided that goods specified in this Item shall be exempt from customs duty when produced in countries entitled to the British Preferential Tariff and relating exclusively to products or services of such British countries, but not relating to Canadian products or services.						
	(b) Provided that on goods specified in this Item when forwarded to Canada by mail, duties may be prepaid by customs duty stamps, under regulations by the Minister, at the rate specified in the Item, except that on each separate package weighing not more than one ounce, the duty shall be each.....	1 ct.	2 cts.	2 cts.	1 ct.	2 cts.	2 cts.
	(c) Provided that bona fide trade catalogues and price lists not specially designed to advertise the sale of goods by any person in Canada, when sent into Canada in single copies addressed to merchants therein, and not exceeding one copy to any merchant for his own use, but not for distribution, shall be exempt from customs duty under all Tariffs.						

	(d) Provided that advertising and printed matter, whether imported by mail or otherwise, when in individual packages valued at not more than $1.00 each and when not imported for sale or in a manner designed to evade payment of customs duties, shall be exempt from customs duty when produced in countries entitled to the British Preferential or the Most-Favoured-Nation Tariff.						
179	Labels for cigar boxes, fruits, vegetables, meats, fish, confectionery or other goods or wares; shipping, price or other tags, tickets or labels, and railroad or other tickets, whether lithographed or printed, or partly printed, n.o.p.	17½ p.c.	22½ p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	Provided, that tickets issued by railway systems in the British Commonwealth, (not including railway systems operating in Canada), shall be exempt from customs duty, when produced in countries entitled to the benefits of the British Preferential Tariff.						
184a	Periodical publications, unbound or paper bound, printed and issued at regular intervals, not less frequently than four times a year, and bearing dates of issue	Free	Free	25 p.c.	Free	Free	25 p.c.; Various
199b	Containers wholly or partially manufactured from fibreboard or paperboard.....per pound	4/5 ct.	4/5 ct.	1½ cts.	4/5 ct.	4/5 ct.	1½ cts.
	Provided, that in no case shall the rate of duty under the Most-Favoured-Nation or the General Tariff be less than	.....	20 p.c.	35 p.c.	.....	20 p.c.	35 p.c.
206d	Animal glands and animal glandular organs, and extracts thereof, wet or dry, (whether alcoholic or not), when imported by manufacturers of pharmaceutical or medicinal preparations for use exclusively in the manufacture of such preparations in their own factories	Free	Free	Free	Free	Free	Free
206e	Animal bile, in liquid or paste form, not further processed than concentrated, for use in the manufacture of bile acids	Free	Free	Free	Free	Free	Free
206f	Dried blood, n.o.p.	5 p.c.	7½ p.c.	10 p.c.	5 p.c.	7½ p.c.	10 p.c.
206g	Blood albumen	Free	10 p.c.	10 p.c.	Free	10 p.c.	10 p.c.
206h	Dried blood, soluble	Free	Free	Free	Free	Free	Free
207	Bicarbonate of soda	Free	12½ p.c.	25 p.c.	Free	12½ p.c.	25 p.c.
207a	Butyl alcohol, n.o.p.	Free	20 p.c.	25 p.c.	Free	20 p.c.	25 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
208i	Nitrate of ammonia, when imported for use in the manufacture of nitrous oxide	Free	10 p.c.	25 p.c.	Free	10 p.c.	25 p.c.
208j	Nitrate of ammonia, n.o.p. and sal ammoniac	Free	25 p.c.	25 p.c.	Free	25 p.c.	25 p.c.
208t	All chemicals and drugs, n.o.p., of a kind not produced in Canada	Free	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
210g	Potassic nitrate of soda, n.o.p.	Free	Free	25 p.c.	Free	Free	25 p.c.
225b	Carnauba wax	Free	Free	10 p.c.	Free	Free	10 p.c.
231c	Gelatin capsules, empty, when imported for use exclusively in the manufacture or compounding of medicinal and pharmaceutical preparations	Free	5 p.c.	7½ p.c.	Free	5 p.c.	7½ p.c.
232	Glue, n.o.p. and, per pound	15 p.c. 2 cts.	22½ p.c. 5 cts.	25 p.c. 5 cts.	15 p.c. 2 cts.	22½ p.c. 5 cts.	25 p.c. 5 cts.
232a	Gelatine, n.o.p. and, per pound	15 p.c.	22½ p.c.	25 p.c. 5 cts.	15 p.c.	22½ p.c.	25 p.c. 5 cts.
247a	(1) Artists' and school children's colours; fitted boxes containing the same	Free	15 p.c.	30 p.c.	Free	15 p.c.	30 p.c.
	(2) Artists' brushes; pastels, of a value of one cent per stick, or over; artists' canvas, coated and prepared for oil painting	Free	22½ p.c.	30 p.c.	Free	22½ p.c.	30 p.c.
254	Gums, viz.:— (1) Copal, damar, benzoin, Pontianac, nattakuching, barberry, elemi, gedda, Senegal, tragacanth, mastic and sandarac	Free	Free	15 p.c.	Free	Free	15 p.c.
	(2) Amber and Arabic	Free	Free	Free	Free	Free	Free
	(3) Australian and kauri; lac, crude, seed, button, stick and shell; ambergris	Free	10 p.c.	15 p.c.	Free	10 p.c.	15 p.c.
	(4) Gums and blends consisting wholly or in chief part of gums, n.o.p.	Free	Free	15 p.c.	Free	10 p.c.	15 p.c.
259c	Castor oil	Free	Free	Free	Free	Free	Free 25 p.c.

263a	Coal-tar benzol, when imported by refiners of crude petroleum, for use exclusively in blending with gasoline wholly produced in Canada	10 p.c.	10 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
264	Essential oils, natural, viz.:—Geranium, rose, ylang-ylang, lemon, bergamot, orange, mandarin, citronella, clove and lemon grass	Free	Free	7½ p.c.	Free	Free	7½ p.c.
264a	Essential oils, natural and synthetic, n.o.p.; essential oils, natural and synthetic, containing other non alcoholic material, n.o.p., for use in the manufacture of products or preparations for medicinal, flavouring, toilet, or other purposes, under such regulations as the Minister may prescribe	Free	7½ p.c.	7½ p.c.	Free	7½ p.c.	7½ p.c.
264c	Menthol, natural or synthetic	Free	Free	10 p.c.	Free	Free	10 p.c.
266	Resin oil	Free	Free	Free	Free	Free	Free
266a	China wood oil	Free	Free	Free	Free	Free	Free
266b	Oiticica oil.....per pound	Free	Free	2½ cts.	Free	Free	2½ cts; 25 p.c.
273	Asphalt or asphaltum, solid	Free	10 p.c.	10 p.c.	Free	10 p.c.	10 p.c.
273a	Asphalt or asphaltum, n.o.p.	Free	10 p.c.	10 p.c.	Free	10 p.c.	10 p.c.
273b	Asphaltum oil for use only for paving purposes	Free	Free	Free	Free	Free	Free
273c	Carbolic or heavy oil	Free	10 p.c.	10 p.c.	Free	10 p.c.	10 p.c.
276a	(1) Cotton seed oil, crude, when imported to be refined for edible purposes	Free	10 p.c.	10 p.c.	Free	10 p.c.	10 p.c.
	(2) Crude cotton seed oil, when imported by manufacturers of cotton seed meal and refined cotton seed oil, for use exclusively in the manufacture of such commodities, in their own factories	Free	10 p.c.	10 p.c.	Free	10 p.c.	10 p.c.
	(3) Cotton seed oil for canning fish	Free	Free	Free	Free	Free	Free
	(4) Cotton seed oil, n.o.p.	12½ p.c.	17½ p.c.	17½ p.c.	12½ p.c.	17½ p.c.	17½ p.c.
276b	(1) Palm and palm kernel oil, crude, when imported to be refined for edible purposes	Free	10 p.c.	10 p.c.	Free	10 p.c.	10 p.c.
	(2) Palm and palm kernel oil, unbleached or bleached, not edible	Free	10 p.c.	10 p.c.	Free	10 p.c.	10 p.c.
	(3) Palm and palm kernel oil, not edible, for manufacturing soap	Free	10 p.c.	10 p.c.	Free	10 p.c.	10 p.c.
	(4) Palm and palm kernel oil, n.o.p.	15 p.c.	20 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
276c	(1) Cocoanut oil, crude, when imported to be refined for edible purposes	Free	10 p.c.	10 p.c.	Free	10 p.c.	10 p.c.
	(2) Cocoanut oil, not edible, for manufacturing soap	Free	10 p.c.	10 p.c.	Free	10 p.c.	10 p.c.
	(3) Cocoanut oil, not edible, when imported for use in the manufacture of refined coaoanut oil	Free	10 p.c.	10 p.c.	Free	10 p.c.	10 p.c.
	(4) Cocoanut oil, n.o.p.	12½ p.c.	17½ p.c.	17½ p.c.	12½ p.c.	17½ p.c.	17½ p.c.
276d	(1) Peanut oil, crude, when imported to be refined for edible purposes	Free	10 p.c.	10 p.c.	Free	10 p.c.	10 p.c.
	(2) Peanut oil for manufacturing soap or for canning fish	Free	Free	Free	Free	Free	Free
	(3) Peanut oil, n.o.p.	15 p.c.	20 p,c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
276e	(1) Olive oil for manufacturing soap	Free	Free	Free	Free	Free	Free
	(2) Olive oil for manufacturing tobacco	Free	Free	Free	Free	Free	Free
	(3) Olive oil for canning fish	Free	Free	Free	Free	Free	Free
	(4) Olive oil for use in the processing of textile fibres, including the finishing of fabrics	Free	Free	Free	Free	Free	Free
	(5) Olive oil, n.o.p.	Free	10 p.c.	20 p.c.	Free	10 p.c.	20 p.c.
276f	(1) Soya bean oil for use in the processing of leather	Free	Free	Free	Free	Free	Free
	(2) Soya bean oil for use in the manufacture of paints and varnishes	Free	Free	Free	Free	Eree	Free
	(3) Soya bean oil for use in the processing of textile fibres, including the finishing of fabrics	Free	Free	Free	Free	Free	Free
	(4) Soya bean oil for manufacturing soap	Free	Free	Free	Free	Free	Free
	(5) Soya bean oil for use in canning fish	Free	Free	Free	Free	Free	Free
	(6) Soya bean oil, n.o.p.	15 p.c.	20 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
284	Drain pipes, sewer pipes and earthenware fittings therefor, chimney linings or vents, chimney tops and inverted blocks, glazed or unglazed, n.o.p.	15 p.c.	22½ p.c.	35 p.c.	15 p.c.	22½ p.c.	35 p.c.
284c	Earthenware tiles, n.o.p.	15 p.c.	25 p.c.	35 p.c.	15 p.c.	25 p.c.	35 p.c.

295c	Activated clay, when imported for use in the refining of oils	10 p.c.	10 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
296i	Mica, phlogopite and muscovite, unmanufactured, in blocks, sheets, splittings, films, waste and scrap	12½ p.c.	12½ p.c.	25 p.c.	12½ p.c.	12½ p.c.	25 p.c.
297a	Quartz, piezoelectric:—						
	(1) Not further processed than cut into slabs or blanks and ground to shape	Free	Free	25 p.c.	Free	Free	25 p.c.
	(2) Fully manufactured ready for use in electric telephone, telegraph, wireless or radio apparatus	Free	10 p.c.	30 p.c.	Free	10 p.c.	30 p.c.
305	Flagstone, sandstone and all building stone, not hammered, sawn or chiselled	10 p.c.	12½ p.c.	20 p.c.	10 p.c.	12½ p.c.	20 p.c.
305a	Marble, rough, not hammered or chiselled	10 p.c.	10 p.c.	20 p.c.	10 p.c.	10 p.c.	20 p.c.
305b	Granite, rough, not hammered or chiselled	10 p.c.	12½ p.c.	20 p.c.	10 p.c.	12½ p.c.	20 p.c.
305c	Marble, sawn or sand rubbed, not polished	Free	10 p.c.	35 p.c.	Free	10 p.c.	35 p.c.
305d	Granite, sawn	Free	15 p.c.	35 p.c.	Free	15 p.c.	35 p.c.
305e	Paving blocks of stone	Free	15 p.c.	35 p.c.	Free	15 p.c.	35 p.c.
305f	Flagstone and building stone, other than marble or granite, sawn on not more than two sides	Free	15 p.c.	35 p.c.	Free	15 p.c.	35 p.c.
307	Marble, n.o.p.	30 p.c.	35 p.c.	40 p.c.	30 p.c.	35 p.c.	40 p.c.
307a	Manufactures of marble, n.o.p.	30 p.c.	35 p.c.	40 p.c.	30 p.c.	35 p.c.	40 p.c.
307b	Granite, n.o.p.	30 p.c.	35 p.c.	40 p.c.	30 p.c.	35 p.c.	40 p.c.
307c	Manufactures of granite, n.o.p.	30 p.c.	35 p.c.	40 p.c.	30 p.c.	35 p.c.	40 pc.
308a	Manufactures of alabaster, n.o.p.	20 p.c.	22½ p.c.	35 p.c.	20 p.c.	22½ p.c.	35 p.c.
312b	Asbestos, crude	Free	Free	25 p.c.	Free	Free	25 p.c.
326	(1) Demijohns or carboys, bottles, flasks, phials, jars and balls, of glass, not cut, n.o.p.; lamp chimneys of glass, n.o.p.; decanters and machine-made tumblers of glass, not cut nor decorated, n.o.p.	15 p.c.	22½ p.c.	32½ p.c.	15 p.c.	22½ p.c.	32½ p.c.
	(2) Glass tableware, n.o.p., and illuminating glassware, n.o.p.	10 p.c.	22½ p.c.	32½ p.c.	10 p.c.	22½ p.c.	32½ p.c.
	(3) Opal glassware, n.o.p.	10 p.c.	22½ p.c.	32½ p.c.	10 p.c.	22½ p.c.	32½ p.c.
	(4) Cut glass tableware and cut glassware, n.o.p.	10 p.c.	22½ p.c.	32½ p.c.	10 p.c.	22½ p.c.	32½ p.c.
352e	Metal parts in any degree of manufacture, coated or not, and wooden parts in the rough, when imported by manufacturers of spools, quills, pirns, bobbins and shuttles, for use in the manufacture of such articles, in their own factories	10 p.c.	10 p.c.	35 p.c.	10 p.c. 10 p.c. 10 p.c. 10 p.c.	10 p.c. 10 p.c. 10 p.c. 10 p.c.	35 p.c. 30 p.c. 45 p.c. 25 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget: British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
353	Aluminum and alloys thereof, crude or semi-fabricated:—						
	(a) Pigs, ingots, blocks, notch bars, slabs, billets, blooms, and wire bars.....per pound	Free	2 cts.	5 cts.	Free	2 cts.	30 p.c.
	(b) Bars, rods, plates, sheets, strips, circles, squares, discs and rectangles.....per pound	Free	3 cts.	7½ cts.	Free	3 cts.	30 p.c.
	(c) Angles, channels, beams, tees and other rolled, drawn or extruded sections and shapes.....	Free	22½ p.c.	30 p.c.	Free	22½ p.c.	30 p.c.
	(d) Wire and cable, twisted or stranded or not, and whether reinforced with steel or not.....	Free	22½ p.c.	30 p.c.	Free	22½ p.c.	30 p.c.
	(e) Pipes and tubes.....	Free	22½ p.c.	30 p.c.	Free	22½ p.c.	30 p.c.
	(f) Leaf, n.o.p., or foil, less than .005 inch in thickness, plain or embossed, with or without backing	Free	30 p.c.	30 p.c.	Free	30 p.c.	30 p.c.
	(g) Aluminum powder.....	Free	30 p.c.	30 p.c.	Free	30 p.c.	30 p.c.
	(h) Aluminum leaf, less than .005 millimetre in thickness.....	Free	Free	Free	Free	Free	Free
	(i) Aluminum scrap.....	Free	Free	Free	Free	Free	Free
	Provided, that nothing shall be deemed to be aluminum scrap except waste or refuse aluminum, fit only to be remelted.						
366	Watches of all kinds.....	20 p.c.	30 p.c.	35 p.c.	20 p.c.	30 p.c.	35 p.c.
	Provided, that when imported under the Most-Favoured-Nation or the General Tariff, the duty shall be not less than.....each	.....	40 cts.	40 cts.	.....	40 cts.	40 cts.
366a	Watch actions and movements, finished or unfinished	Free	15 p.c.	15 p.c.	Free	15 p.c.	15 p.c.
	Provided, that when imported under the Most-Favoured-Nation or the General Tariff, the duty shall be not less than.....each	.....	40 cts.	40 cts.	.....	40 cts.	40 cts.
366b	Parts of watch movements, finished or unfinished...	Free	15 p.c.	15 p.c.	Free	15 p.c.	15 p.c.
	Provided, that when imported under the Most-Favoured-Nation or General Tariff, the duty on plates designed to hold in place four or more wheels or other moving parts shall be not less than per plate		5 cts.	10 cts.		5 cts.	10 cts.
368	Clocks, time recorders, clock movements, clockwork mechanisms, and clock cases.....	15 p.c.	30 p.c.	35 p.c.	15 p.c.	30 p.c.	35 p.c.
	Provided, that when imported under the Most-Favoured-Nation or the General Tariff, the duty shall be not less than.....each		40 cts.	50 cts.		40 cts.	50 cts.

383	Sheets, plates, hoop, band or strip, of iron or steel:—						
	(b) Coated with tin, n.o.p.	15 p.c.	15 p.c.	20 p.c.	Free	15 p.c.	20 p.c.
384	Skelp of iron or steel, hot rolled, when imported by manufacturers of pipes and tubes for use exclusively in the manufacture of pipes and tubes, in their own factories, under regulations prescribed by the Minister	Free	5 p.c.	5 p.c.	Free	5 p.c.	5 p.c.
392c	Forged golf club heads of iron or steel, with or without face or similar marking, but not ground, polished, plated or otherwise finished	10 p.c.	10 p.c.	30 p.c.	10 p.c.	10 p.c.	30 p.c.
402b	Woven netting, of iron or steel, coated, made from wire of 17 gauge or heavier, with meshes not smaller than one inch and not larger than two inches, with specially strengthened joints, when for use exclusively on fur farms, under regulations prescribed by the Minister:—						
	(1) Of a class or kind not made in Canada	5 p.c.	17½ p.c.	30 p.c.	5 p.c.	17½ p.c.	30 p.c.
	(2) N.o.p.	12½ p.c.	20 p.c.	30 p.c.	12½ p.c.	20 p.c.	30 p.c.
414	Typewriters	Free	20 p.c.	25 p.c.	Free	20 p.c.	25 p.c.
414a	Complete parts of typewriters	Free	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
414b	Dictating, transcribing and cylinder shaving machines and complete parts thereof, including cylinders and unfinished wax blanks	10 p.c.	12½ p.c.	25 p.c.	10 p.c.	12½ p.c.	25 p.c.
414c	Bookkeeping, calculating and invoicing machines and complete parts thereof, n.o.p.	Free	10 p.c.	25 p.c.	Free	10 p.c.	25 p.c.
414d	Adding machines	Free	17½ p.c.	25 p.c.	Free	17½ p.c.	25 p.c.
414e	Complete parts of adding machines	Free	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
425a	Lawn mowers designed for use with motive power, whether or not containing the power unit	10 p.c.	15 p.c.	32½ p.c.	10 p.c.	15 p.c.	32½ p.c.
426a	Machinery and apparatus enumerated in Tariff Item 412a, when for use by manufacturers of articles made from regenerated cellulose or cellulose acetate; complete parts of such machinery and apparatus, not to include saws, knives, and motive power	5 p.c.	5 p.c.	35 p.c.	5 p.c.	5 p.c.	35 p.c.
426b	Veneer-drying machines, and complete parts thereof	5 p.c.	5 p.c.	35 p.c.	5 p.c.	5 p.c.	35 p.c.
426c	Wire stitchers and staplers, either hand or power type, but not including motive power; complete parts of the foregoing	5 p.c.	5 p.c.	35 p.c.	5 p.c.	5 p.c.	35 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
429	Cutlery of iron or steel, plated or not:—						
	(g) Razors and complete parts thereof; razor blades, n.o.p.	Free	27½ p.c.	30 p.c.	Free	27½ p.c.	30 p.c.
	(h) Safety razor blades	Free	20 p.c.	30 p.c.	Free	20 p.c.	30 p.c.
430b	Screws, or iron or steel, coated or not:—						
	(1) Wood screws	15 p.c.	20 p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
	(2) Machine and other screws, n.o.p.	15 p.c.	17½ p.c.	30 p.c.	15 p.c.	17½ p.c.	30 p.c.
	and, per one hundred pounds	.....	50 cts.	.....	.....	50 cts.	.....
434	(1)Locomotives and motor cars for railways, for use exclusively in mining, metallurgical or sawmill operations, n.o.p., and chassis, tops, wheels and bodies for the same, n.o.p.	15 p.c.	20 p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
	(2) Locomotives for use on railways, and chassis, tops, wheels and bodies for the same, n.o.p.	15 p.c.	25 p.c.	35 p.c.	15 p.c.	25 p.c.	35 p.c.
440g	(1) Manufactures of iron, brass or other metal, of a class or kind not made in Canada, for use exclusively in the construction or equipment of ships or vessels, under regulations prescribed by the Minister	Free	Free	Free	Free	Free	Free
	(2) Diesel and semi-diesel engines, of a class or kind not made in Canada, and complete parts thereof, for use exclusively in the construction or equipment of ships or vessels	Free	Free	Free	Free	Free	Free
440m	(i) Unfinished parts of aircraft, n.o.p., not including parts of aircraft engines	Free	15 p.c.	27½ p.c.	Free	15 p.c.	27½ p.c
	(ii) Direct or inertia starters with or without related operating gear and parts thereof; generators; voltage control boxes; batteries; de-icing and anti-icing equipment and parts thereof, not including parts of rubber; vacuum pumps with related operating gear and parts thereof; landing and navigation lights; propellers; hydraulic jacks and pumps and parts thereof; aircraft wheels; aircraft brakes with related operating gear and parts thereof; aircraft tires and tubes; oil coolers; fuel pressure warning devices; exhaust gas analysers; pressure fire extinguishers; primer pumps; instruments excepting fuel contents gauges; bolts, nuts, cocks, turnbuckles, clevis and pins, swaged wires and tie rods; bars, tubes, extrusions and						

	forgings of aluminum, aluminum alloys and magnesium alloys; steel tubing; all the foregoing when of types and sizes not made in Canada and imported for use exclusively in the manufacture or for spares, overhaul or repair of the goods enumerated in Tariff Item 4401 under such regulations as the Minister may prescribe	Free	Free	27½ p.c.	Free	Free	27½ p.c.
446g	(1) Electric apparatus designed for welding and parts thereof, not including motors	5 p.c.	20 p.c.	30 p.c.	5 p.c.	20 p.c.	30 p.c.
	(2) Mechanically-operated gas apparatus designed for cutting or welding and parts thereof, not including motors	Free	10 p.c.	35 p.c.	Free	10 p.c.	35 p.c.
	(3) Gas apparatus designed for welding or cutting and parts thereof, n.o.p.	5 p.c.	20 p.c.	30 p.c.	5 p.c.	20 p.c.	30 p.c.
446k	Tools of iron or steel, for use in machines, n.o.p., of a class or kind not made in Canada	Free	10 p.c.	35 p.c.	Free	10 p.c.	35 p.c.
446m	Welding rods or welding wires of rust, acid or heat resisting steel, whether or not flux-coated	10 p.c.	15 p.c.	35 p.c.	10 p.c.	15 p.c.	35 p.c.
450	Roller skates and parts thereof	15 p.c.	15 p.c.	30 p.c.	15 p.c.	15 p.c.	30 p.c.
450a	Skates of all kinds, other than roller, and parts thereof	15 p.c.	25 p.c.	30 p.c.	15 p.c.	25 p.c.	30 p.c.
451b	Pins manufactured from wire of any metal:—						
	(1) Specially designed for marking systems	Free	5 p.c.	10 p.c.	Free	5 p.c.	10 p.c.
	(2) N.o.p.	15 p.c.	25 p.c.	30 p.c.	15 p.c.	25 p.c.	30 p.c.
	and, per pound	.....	10 cts.	10 cts.	.....	10 cts.	10 cts.
461a	Automatic scales or weighing machines, of a class or kind not made in Canada, and complete parts of the foregoing, for use in Canadian manufactures	Free	Free	Free	Free	Free	Free
505b	Shingles of cedar, creosoted, vulcanized or otherwise processed or treated	Free	Free	25 p.c.	Free	Free	25 p.c.
511c	Skis	20 p.c.	22½ p.c.	35 p.c.	20 p.c.	22½ p.c.	35 p.c.
511d	Ski fittings	15 p.c.	22½ p.c.	35 p.c.	15 p.c.	22½ p.c.	35 p.c.
511e	Ski poles	20 p.c.	22½ p.c.	35 p.c.	20 p.c.	22½ p.c.	35 p.c.
518	Bagatelle and other game tables or boards	17½ p.c.	22½ p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c
518a	Billiard tables, with or without pockets; cues, balls, cue-racks and cue-tips	17½ p.c.	30 p.c.	35 p.c.	17½ p.c.	30 p.c.	35 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
519	House, office, cabinet or store furniture or wood, iron or other material, and parts thereof, not to include forgings, castings, and stampings of metal, in the rough:—						
	(1) Substantially of wood	15 p.c.	27½ p.c.	45 p.c.	15 p.c.	27½ p.c.	45 p.c.
	(2) Other than of wood	15 p.c.	25 p.c.	45 p.c.	15 p.c.	25 p.c.	45 p.c.
520	(1) Raw cotton and cotton linters not further manufactured than ginned; waste wholly of cotton unfit for use without further manufacture	Free	Free	Free	Free	Free	Free
	(2) Rags unfit for use without further manufacture, not to include used garments nor waste portions of unused fabrics	Free	Free	Free	Free	Free	Free
522c	(1) Rovings, yarns and warps wholly of cotton, including threads, cords and twines generally used for sewing, stitching, packaging and other purposes, n.o.p.; cotton yarns, wholly or partially covered with metallic strip, generally known as tinsel thread	15 p.c.	17½ p.c.	25 p.c.	15 p.c.	17½ p.c.	25 p.c.
	and, per pound	.....	3 cts.	4 cts.	.....	3 cts.	4 cts.
	(2) Cotton yarns, wholly covered with a double layer of metallic strip in single strand only, when imported by manufacturers for use exclusively in the manufacture of electrical conductors, in their own factories	10 p.c.	10 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
	and, per pound	.....	.....	4 cts.	.....	.....	4 cts.
	(3) Sewing thread, wholly of cotton, on spools, not to exceed 250 yards on one spool	15 p.c.	20 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	and, per pound	.....	.....	4 cts.	.....	.....	4 cts.
523	Woven fabrics, wholly of cotton, not bleached, mercerized nor coloured, n.o.p.	15 p.c.	15 p.c.	25 p.c.	15 p.c.	15 p.c.	25 p.c.
	and, per pound	.....	3 cts.	4 cts.	.....	3 cts.	4 cts.
523b	Woven fabrics, wholly of cotton, printed, dyed or coloured, n.o.p.:—						
	(1) Valued at more than 80 cents per pound	17½ p.c.	17½ p.c.	32½ p.c.	17½ p.c.	17½ p.c.	32½ p.c.
	and, per pound	.....	3 cts.	4 cts.	.....	3 cts.	4 cts.

	(2) Valued at 50 cents or more but not more than 80 cents per pound	17½ p.c.	22½ p.c.	32½ p.c.	17½ p.c.	22½ p.c.	32½ p.c.
	and, per pound	.....	3 cts.	4 cts.	.....	3 cts.	4 cts.
	(3) Valued at less than 50 cents per pound	17½ p.c.	25 p.c.	32½ p.c.	17½ p.c.	25 p.c.	32½ p.c.
	and, per pound	.....	3½ cts.	4 cts.	.....	3½ cts.	4 cts.
	(4) Woven fabrics, wholly of cotton, commonly known as denims, when imported by manufacturers for use in their own factories in the manufacture of garments	17½ p.c.	17½ p.c.	32½ p.c.	17½ p.c.	17½ p.c.	32½ p.c.
	and, per pound	.....	3 cts.	4 cts.	.....	3 cts.	4 cts.
523l	Woven fabrics, wholly of cotton, composed of yarns of counts of not less than 80 and not more than 99, including all such fabrics in which the average count of the warp and weft yarns is not less than 80 and not more than 99	12½ p.c.	20 p.c.	27½ p.c.	12½ p.c.	20 p.c.	27½ p.c.
	and, per pound	.....	3 cts.	4 cts.	.....	3 cts.	4 cts.
523n	Cotton bags:—						
	(1) Seamless	15 p.c.	22½ p.c.	25 p.c.	15 p.c.	22½ p.c.	25 p.c.
	and, per pound	.....	.....	4 cts.	.....	.....	4 cts.
	(2) N.o.p	20 p.c.	22½ p.c.	35 p.c.	20 p.c.	22½ p.c.	35 p.c.
	and, per pound	.....	.....	4 cts.	.....	.....	4 cts.
524a	Fabrics with cut weft pile, wholly of cotton or of cotton and synthetic textile fibres or filaments	5 p.c.	25 p.c.	32½ p.c.	5 p.c.	25 p.c.	32½ p.c.
	and, per pound	.....	3½ cts.	4 cts.	.....	3½ cts.	4 cts.
532	Clothing, wearing apparel and articles made from woven fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly of cotton, n.o.p	25 p.c.	25 p.c.	35 p.c.	25 p.c.	25 p.c.	35 p.c.
	and, per pound	.....	.....	4cts.	.....	.....	4 cts.
532c	Curtains, wholly or partially manufactured, composed wholly of cotton, n.o.p	22½ p.c.	27½ p.c.	35 p.c.	22½ p.c.	27½ p.c.	35 p.c.
	and, per pound	.....	.....	4 cts.	.....	.....	4 cts.
532d	Fabrics wholly of cotton, coated or impregnated, n.o.p	22½ p.c.	27½ p.c.	35 p.c.	22½ p.c.	27½ p.c.	35 p.c.
	and, per pound	.....	.....	4 cts.	.....	.....	4 cts.
535g	Piassava fibre, not coloured, nor further manufactured than dried, cleaned, cut to size, ground and sifted	Free	Free	Free	Free	Free	Free
538b	Twine for baling farm produce	Free	Free	25 p.c.	Free	Free	25 p.c.
547a	Bags or sacks of sisal	17½ p.c.	17½ p.c.	35 p.c.	17½ p.c.	17½ p.c.	35 p.c.
	and, per pound	.....	.....	4 cts.	.....	.....	4 cts.
548c	Tablecloths, centre-pieces, and doilies of sisal, palm straw or cane straw	20 p.c.	20 p.c.	35 p.c.	20 p.c.	20 p.c.	35 p.c.
	and, per pound			4 cts.	.....	.....	4 cts

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
549	Wool not further prepared than combed, n.o.p. per pound	Free	10 cts.	15 cts.	Free	10 cts.	15 cts.
549a	Wool, not further advanced than scoured, not including wool of the sheep of the type commonly known as karakul, when imported by carpet manufacturers for use exclusively in the manufacture of carpets, in their own factories.....per pound	Free	Free	15 cts.	Free	Free	15 cts.
549b	(1) Hair of the camel, alpaca, goat or other like animal.....per pound	Free	Free	15 cts.	Free	Free	15 cts.
	(2) Hair, cleaned or uncleaned, but not curled, dyed nor otherwise manufactured; and horse hair not further manufactured than simply cleaned and dipped or dyed.....	Free	Free	Free	Free	Free	Free
	(3) Hair, curled or dyed, n.o.p.....	12½ p.c.	15 p.c.	20 p.c.	12½ p.c.	15 p.c.	20 p.c.
549f	Nets made from human hair.....	15 p.c.	15 p.c.	35 p.c.	15 p.c.	15 p.c.	35 p.c.
552a	Felt, splint, for use in making molded splints for medicinal purposes.....	Free	10 p.c.	25 p.c.	Free	10 p.c.	25 p.c. and 20 cts. per pound
553	Blankets of any material, not to include automobile rugs, steamer rugs, or similar articles:—						
	(1) Household blankets, wholly of cotton.....	17½ p.c.	17½ p.c.	35 p.c.	17½ p.c.	17½ p.c.	35 p.c.
	and, per pound	5 cts.	5 cts.	30 cts.	5 cts.	5 cts.	30 cts.
	(2) Blankets, wholly or in part of wool or hair...	20 p.c.	25 p.c.	35 p.c.	20 p.c.	25 p.c.	35 p.c.
	and, per pound	5 cts.	20 cts.	30 cts.	5 cts.	20 cts.	30 cts.
	(3) Blankets, n.o.p.....	20 p.c.	30 p.c.	35 p.c.	20 p.c.	30 p.c.	35 p.c.
	and, per pound	5 cts.	25 cts.	30 cts.	5 cts.	25 cts.	30 cts.
554e	Filter press cloth of wool or hair (except human hair)	Free	15 p.c.	40 p.c.	Free	15 p.c.	40 p.c.
	and, per pound	.....	30 cts.	35 cts.	.....	30 cts.	35 cts.
568b	(1) Gloves of kid, n.o.p.....	20 p.c.	22½ p.c.	45 p.c.	20 p.c.	22½ p.c.	45 p.c.
	(2) Gloves and mitts of all kinds, n.o.p.....	20 p.c.	25 p.c.	45 p.c.	20 p.c.	25 p.c.	45 p.c.
569	Hats, hoods and shapes of fur felt or of wool-and-fur felt, under such regulations as the Minister may prescribe.....	17½ p.c.	22½ p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.

569a	(1) Hats, hoods and shapes of wool felt	22½ p.c.	30 p.c.	35 p.c.	22½ p.c.	30 p.c.	35 p.c.
	and, per dozen	45 cts.	90 cts.	$1.25	45 cts.	90 cts.	$1.25
	(2) Hoods and shapes, knitted, crocheted, plaited or woven, in a single piece, and hoods and shapes of braid, not sewn, under such regulations as the Minister may prescribe	Free	10 p.c.	10 p.c.	Free	10 p.c.	10 p.c.
	(3) Hoods and shapes, n.o.p.	22½ p.c.	30 p.c.	35 p.c.	22½ p.c.	30 p.c.	35 p.c.
	and, per dozen	.....	50 cts.	50 cts.	.....	50 cts.	50 cts.
	(4) Hats, n.o.p.	22½ p.c.	27½ p.c.	35 p.c.	22½ p.c.	27½ p.c.	35 p.c.
	and, per dozen	75 cts.	$1.00	$1.50	75 cts.	$1.00	$1.50
	(5) Berets of wool, knitted and fulled	22½ p.c.	22½ p.c.	35 p.c.	22½ p.c.	22½ p.c.	35 p.c.
	and, per dozen	.....	50 cts.	65 cts.	.....	50 cts.	65 cts.
	(6) Caps, bonnets and berets, n.o.p., under such regulations as the Minister may prescribe	22½ p.c.	27½ p.c.	35 p.c.	22½ p.c.	27½ p.c.	35 p.c.
570a	(1) Carpeting, rugs, stair pads, mats and matting of straw, hemp, flax tow or jute	15 p.c.	20 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	(2) Carpeting, rugs, mats and matting of paper; carpet lining and stair pads	15 p.c.	22½ p.c.	25 p.c.	15 p.c.	22½ p.c.	25 p.c.
	(3) Carpeting, rugs, mats and matting of sisal, palm straw or cane straw	15 p.c.	20 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
571a	(1) Mats with cut pile, of cocoa fibre—per square foot	2¼ cts.	3 cts.	5 cts.	2¼ cts.	3 cts.	5 cts.
	(2) Mats, n.o.p., rugs, carpeting and matting of cocoa fibre per square yard	6¾ cts.	7½ cts.	10 cts.	6¾ cts.	7½ cts.	10 cts.
572a	Carpets of sisal, palm straw or cane straw	20 p.c.	20 p.c.	40 p.c.	20 p.c.	20 p.c.	40 p.c. and 20 cts. per square foot.
597	(1) Pianofortes and organs, n.o.p.	20 p.c.	22½ p.c.	30 p.c.	20 p.c.	22½ p.c.	30 p.c.
	(2) Pipe organs	15 p.c.	15 p.c.	30 p.c.	15 p.c.	15 p.c.	30 p.c.
	(3) Pipe organ player actions and parts thereof; parts of pipe organs, n.o.p.	Free	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
	(4) Parts of pianofortes and parts of organs, n.o.p.	Free	20 p.c.	25 p.c.	Free	20 p.c.	25 p.c.
597a	(1) Musical instruments of all kinds, n.o.p.	15 p.c.	17½ p.c.	30 p.c.	15 p.c.	17½ p.c.	30 p.c.
	(2) Phonographs, graphophones, gramophones and finished parts thereof, n.o.p., including cylinders and records therefor	15 p.c.	20 p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
	(3) Mechanical piano and organ players	15 p.c.	20 p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
	(4) Cylinders or records specially made for use in the study of languages, under such regulations as may be prescribed by the Minister	Free	Free	30 p.c.	Free	Free	30 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
598	(1) Brass band instruments, of a class or kind not made in Canada	Free	17½ p.c.	25 p.c.	Free	17½ p.c.	25 p.c.
	(2) Brass band instruments, n.o.p.	Free	20 p.c.	25 p.c.	Free	20 p.c.	25 p.c.
	(3) Bagpipes and complete parts thereof	Free	25 p.c.	25 p.c.	Free	25 p.c.	25 p.c.
603a	Karakul skins, wholly or partially dressed, but not dyed	Free	Free	15 p.c.	Free	Free	15 p.c.
604	(1) Belting leather in butts or bends; and all leather further finished than tanned, n.o.p.	7½ p.c.	17½ p.c.	27½ p.c.	7½ p.c.	17½ p.c.	27½ p.c.
	(2) Sheepskin or lambskin leather, further finished than tanned, n.o.p.	7½ p.c.	22½ p.c.	27½ p.c.	7½ p.c.	22½ p.c.	27½ p.c.
605	(1) Leather produced from East India tanned kip, uncoloured or coloured other than black, when imported for use exclusively in lining boots and shoes	Free	15 p.c.	15 p.c.	Free	15 p.c.	15 p.c.
	(2) Genuine reptile leathers	Free	7½ p.c.	15 p.c.	Free	7½ p.c.	15 p.c.
607a	Leather, consisting of beef-cattle hides, horse-hides or sheep-skins, but not including suedes, Cabrettas, Spanish capes or African capes, when imported by manufacturers of gloves or leather clothing, for use exclusively in manufacturing gloves or leather clothing in their own factories	Free	15 p.c.	20 p.c.	Free	15 p.c.	20 p.c.
607b	Leather, not further finished than tanned, in whole hides, in grains, or splits, when imported by manufacturers of upholstering leathers, for use exclusively in the manufacture of upholstering leathers, in their own factories	Free	15 p.c.	15 p.c.	Free	15 p.c.	15 p.c.
611a	(1) Boots, shoes, slippers and insoles of any material, n.o.p.	20 p.c.	27½ p.c.	40 p.c.	20 p.c.	27½ p.c.	40 p.c.
	(2) Canvas shoes with rubber soles	20 p.c.	27½ p.c.	40 p.c.	20 p.c.	27½ p.c.	40 p.c.
	(3) Boots, shoes and slippers of sisal with cork, sisal, leather or rubber soles	17½ p.c.	25 p.c.	40 p.c.	17½ p.c.	25 p.c.	40 p.c.

	(1) Rubber, crude, caoutchouc or India-rubber, unmanufactured, n.o.p.	Free	5 p.c.	5 p.c.	Free	5 p.c.	5 p.c.
	(2) Powdered rubber and rubber or gutta percha waste or junk	Free	Free	Free	Free	Free	Free
	(3) Recovered rubber and rubber substitute	Free	Free	Free	Free	Free	Free
	(4) Latex, being crude rubber in liquid form, not compounded beyond the addition of preservatives	Free	Free	Free	Free	Free	Free
619a	Rubber clothing and clothing made from waterproofed cotton fabrics and, in addition on raincoats.....each	22½ p.c.	27½ p.c.	35 p.c. 50 cts.	22½ p.c.	27½ p.c.	35 p.c. 50 cts.
623a	Handbags of sisal, palm straw, or cane straw, with or without lining	7½ p.c.	17½ p.c.	40 p.c.	7½ p.c.	17½ p.c.	40 p.c.
624a	(1) Dolls	10 p.c.	25 p.c.	40 p.c.	10 p.c.	25 p.c.	40 p.c.
	(2) Toys of all kinds, n.o.p.	10 p.c.	30 p.c.	40 p.c.	10 p.c.	30 p.c.	40 p.c.
	(3) Mechanical toys of metal	10 p.c.	30 p.c.	40 p.c.	10 p.c.	30 p.c.	40 p.c.
	(4) Juvenile construction sets of metal or rubber, consisting of various stampings, punched or moulded, and connections therefor; parts of the foregoing:—						
	(a) Of metal	Free	25 p.c.	40 p.c.	Free	25 p.c.	40 p.c.
	(b) Of rubber	Free	20 p.c.	40 p.c.	Free	20 p.c.	40 p.c.
648b	Diamonds, rough or uncut, and not advanced in condition or value from their natural state by cleaving, splitting, cutting, or other process, whether in their natural form or broken	Free	Free	Free	Free	Free	Free
654	Bristles, natural	Free	Free	Free	Free	Free	Free
654b	Broom corn	Free	Free	Free	Free	Free	Free
655	Pens, n.o.p., penholders and rulers, of all kinds	12½ p.c.	22½ p.c.	27½ p.c.	12½ p.c.	22½ p.c.	27½ p.c.
655c	Pen nibs of steel	Free	12½ p.c.	27½ p.c.	Free	12½ p.c.	27½ p.c.
656	*(a)* Tobacco pipes of all kinds	17½ p.c.	22½ p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	(b) Cigar and cigarette holders	17½ p.c.	25 p.c.	35 p.c.	17½ p.c.	25 p.c.	35 p.c.
	(c) Cases for cigar and cigarette holders, cigar and cigarette cases, smokers' sets and cases therefor, and tobacco pipe mounts	17½ p.c.	25 p.c.	35 p.c.	17½ p.c.	25 p.c.	35 p.c.
	(d) Tobacco pouches	17½ p.c.	25 p.c.	35 p.c.	17½ p.c.	25 p.c.	35 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
663h	Oyster shells, not further manufactured than crushed or screened, or both, for use as poultry feeds or in the manufacture of poultry feeds.....	10 p.c.	10 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
710	Coverings, inside and outside, used in covering or holding goods imported therewith, shall be subject to the following provisions, viz.:—						
	(b) Usual coverings containing goods subject to any ad valorem duty, when not included in the invoice value of the goods they contain.....	Free	7½ p.c.	20 p.c.	Free	7½ p.c.	20 p.c.

4. Resolved, that Schedule C to the Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, as amended, be further amended by deleting therefrom Items 1211 and 1214 and by inserting in said Schedule C the following Item:—

1214	1. Common mongoose (Herpestes griseus) or mongoose of any kind; 2. Any bird of the Starling family (Sturnidae), except the European Starling (Sturnus vulgaris); 3. Any other non-game bird, except any of the following:— *(a)* a domestic bird of a kind kept for food purposes; *(b)* a bird intended solely for exhibition in a public zoological park; *(c)* a bird intended solely to be kept in confinement in a cage or to be used for purposes of public entertainment.

5. Resolved, that any enactment founded upon Resolutions 1 and 3 of the foregoing Resolutions to amend the Customs Tariff or Schedules thereto shall come into force on the first day of June, one thousand nine hundred and fifty, and shall apply to all goods mentioned in the foregoing Resolutions imported or taken out of warehouse for consumption on and after that date, and shall apply to goods previously imported for which no entry for consumption was made before that date.

6. Resolved, that any enactment founded upon Resolutions 2 and 4 of the foregoing Resolutions to amend the Customs Tariff or Schedules thereto shall be deemed to have come into force on the twenty-ninth day of March, one thousand nine hundred and fifty, and to have applied to all goods mentioned in the foregoing Resolutions imported or taken out of warehouse for consumption on and after that date, and to have applied to goods previously imported for which no entry for consumption was made before that date.

(See also Budget Papers at pp. 1277 et seq.)

Mr. J. M. Macdonnell (Greenwood): I think it was Churchill, Mr. Speaker, who once remarked that in a democracy the things we have in common are more than the things that divide us. It is therefore possible for us, in all sincerity, to congratulate the Minister of Finance (Mr. Abbott) on delivering a speech which is well within the established budget tradition of our country.

I doubt, however, that he enjoyed delivering it quite as much as he enjoyed the one a year ago. A year ago, Mr. Speaker, it was "Roses, roses, all the way". He had just tickled our ears with words about tax reductions. He had just cut what I suppose we might call a melon. He had primed the pump for the election in various ways.

Mr. Cruickshank: He did a pretty good job.

Mr. Macdonnell (Greenwood): Yes, I will admit that. I am perhaps exhibit A in the case. We admit that the pump was well primed. After all, there were $460 million going to the farmers and by way of rebates to the income-tax payers. Then there were such small matters as the treatment of the Hong Kong veterans and the Canso bridge. Indeed, it almost looks as though there had been a surplus; because you will realize, Mr. Speaker, that the Canso bridge appropriation did not have to be used up and it is still available. There seems to be some difference of opinion between the Liberals here and the Liberals in Halifax as to just what the reason for delay was; but I do not think we lesser people need to go into these disputes between what I suppose the Prime Minister would call the master race. The only thing I would suggest is this. If a bridge 22 feet wide produced *X* votes, how many votes will a bridge 24 feet wide produce? We might get the genial Minister of Transport to work that problem out for us.

Today, Mr. Speaker, things are changed. The roses are somewhat faded. There is no melon tonight.

An hon. Member: There is a grape, though.

An hon. Member: And ice cream.

Mr. Macdonnell (Greenwood): We may have ice cream, but it will not go well with the lemon which we have tonight. It is a wishy-washy mixture, I take it. There is no election in the offing today. We are just left to trudge along as best we may, without any of the allurements of a year ago.

A budget is, in some sense, a stocktaking and, in some sense, a report to the shareholders. I should like to take a few moments this evening to raise a few questions which I think a prudent man of business would raise in connection with the statement which has just been presented to us. The first thing, of course, that occurs to every man is what his taxes are; and the minister has made clear the position. It is not an exciting budget in that respect. None of us expected that it would be. We are just scraping along; no hundreds of millions of dollars to juggle with now. We are pretty well at the bottom of the barrel and just scraping along.

And that, of course, raises the question in the mind of the taxpayer about spending and about economy—because taxes result from spending. The taxpayer of course is not pleased to compare the first estimate of today with the first estimate of a year ago, and find that it is about $90 million up. Oh, I know the minister will be quick to say, "Yes, but our defence estimates and family allowances are up and we have $20 million for a trans-Canada highway." But, nevertheless, I think our prudent man will ask the minister what signs of real economy there are. The minister said of course that economies in many departments had taken place. I noticed he did not say all. I am sure he has very great difficulties, and I sympathize with him. I examined the Department of Agriculture. When you first look at the figures it looks as if there was a reduction but when you look further you realize that there is really no reduction because there was $12 million of which they were relieved in connection with western freight. When you look through the items—there are forty-five items—you find that there are twenty-eight increases and some ten decreases.

What the minister said is right. If we are going to have these services, then we have to pay for them. But our complaint is that there is no opportunity in this House of Commons for members to form a view at first hand because we never have the chance. We have no chance to talk to the civil service. Then there are hundreds of thousands of dollars in sundries, a few thousand here and a few thousand there, next to various publicity items which might add up to $5 million, which makes one wonder if we are spending too much money for that kind of thing when, actually, we are just scraping along.

There is one particular economy to which I wish to draw the attention of the Prime Minister (Mr. St. Laurent) because it has to do with something he himself mentioned. I noticed the other day that a certain member of the other place suggested that we should practise economy by nationalizing the Canadian Pacific Railway, and amalgamating it with the Canadian National. I think I would just say to the Prime Minister, who made the mistake of telling the railway workers that our party favoured amalgamation, that I do not consider that that is the kind of economy that should be made, if indeed it is an econ-

omy, because of creating a huge monopoly. I add my voice to all others so as to make clear the position of this party in that matter, so that the Prime Minister will not make that mistake again.

I come to the next thing which the prudent man would be concerned with, and that is the state of business of the country. He would naturally look first of all at the external trade of the country. I think that the truth is now known. I am not an alarmist, and I am not preaching calamity, but I think the people are getting nearer to the truth. The bedtime stories we heard last spring from the two privy councillors, the Minister of Agriculture (Mr. Gardiner) and the Minister of Trade and Commerce, which we might call "the great illusion" are pretty well put to rest, and the people are realizing now that our trade is actually slipping. They realize that in 1949 our over-all external trade dropped by about $87 million; and in the first two months of this year indications are that our over-all trade was $22 million down, and our trade with the commonwealth $45 million down.

Some of the items, as we study them, are rather interesting. We find that our trade to some foreign countries is only in the amount of a few hundred dollars, or perhaps even less. We find for instance, that in the last year—and I do not know whether this is significant—our exports of skunk skins to Great Britain were entirely stopped. I do not know what that has to do with international affairs.

An hon. Member: The socialists.

Mr. Macdonnell (Greenwood): The socialists may have something to do with it.

Now, Mr. Speaker, I am not going to suggest that the government is responsible for all this; but I am going to suggest that so far as we on this side of the house are concerned —and we are not told much—but so far as we can judge, there has been a negative approach on the part of the government.

We had a very interesting account from the Secretary of State for External Affairs (Mr. Pearson) about his journey to Colombo. But what he had to say made one feel that he was just an onlooker—a friendly onlooker, I am sure. Indeed, he actually described himself as a "dollar gadfly." I have looked up the word "gadfly" in the dictionary, and I find that it is "a fly that bites and annoys cattle."

Well, whether that attitude would be useful at cabinet meetings, I cannot say; but I cannot believe that it was very useful at Colombo. Indeed one got the feeling that the Secretary of State for External Affairs had not gone there with any mandate from the cabinet that he was to try to help things along.

The Minister of Finance will say, "Oh, but you must remember that they are all in the sterling area, and that we are not a sterling country." I will agree with that. And without taking more than a second or two to discuss the point, I shall say that our complaint is that the government is to blame for keeping us in a strait-jacket and that it is going to get worse unless something is done about it.

There was a certain negation also I thought in the answer to the hon. member for Lake Centre (Mr. Diefenbaker) who moved a resolution suggesting that we might have a commonwealth conference on trade. The hon. member for Lake Centre did not suggest that that was going to work miracles, but he did suggest that it was a reasonable thing to do; and I think many hon. members in this house felt it was a reasonable thing to do. But the Minister of Finance was entirely negative. He did not say that it would do no good. He said if we were invited to one we would go, but that we would not take the initiative. So I think it is fair to describe the attitude of the government as a negative attitude.

I say, further, if things were going well we might be content with a negative attitude on the part of the government. But I submit that even he will not say things are going well. He spoke some serious and grave words tonight. I suggest the situation is far from good.

One thing I am not overlooking, and that is the visits of the Minister of Trade and Commerce (Mr. Howe) to Europe. When he comes back we have an optimistic statement. Perhaps if he could go there every day and make a statement every morning it might help. His feeling seems to be "A statement a day keeps depression away."

Mr. Howe: It has kept away for a good many years, hasn't it?

Mr. Macdonnell (Greenwood): I do like an optimist, and I like the Minister of Trade and Commerce; and there certainly is a place for optimism, so long as it is not overdone.

The next thing that this prudent man of business of whom I have been talking would ask is this. He would ask where we are going. It is true that we have had a fairly complete review from the Minister of Finance, in which he has said many things which are of interest. I think the minister contented himself largely with congratulating himself on the past; as someone has said, he was "resolutely facing the past."

But I think our prudent citizen, looking at things as they are, would have been troubled about things. He would see as I have said that we are just scraping the barrel now in the matter of income. There is nothing to

come and go on. Secondly, he would remind himself of the international danger of which the minister has spoken, and of the certainty of higher defence expenditures. Thirdly, he would say to himself that the government, by its extravagant election promises to further social security, has got itself into a position where, with all the wiggling it can do, it can hardly get away from carrying out some of the things which it suggested during the election. Further, he would remind himself that we are just now beginning to feel the cutback; we are just beginning to feel the effects of the cutback of British purchases. He would remind himself that this fertilizing stream of Marshall aid, which has given to us so much, is likely to be dried up in another year. He would say to himself, "All this is happening at the end of years of boom, of the highest activity we have ever known, when, on the theory of cyclical budgeting which has been expounded in this house, we should be having much larger surpluses than we have." Taking those considerations together I think our friend will say that not everything is rosy. I think he would consider it incredible levity if it were considered in that way.

I think he will say further, "What will happen if we have even a minor recession which will cut down earnings and, of course, cut down taxes?" I think he will further say that we should have, and indeed we have had to a certain extent, an exposure of conditions by the government, but I think most of all he will feel that we seem to be coasting along, that the government has not really indicated anything except hope and optimism in dealing with the situation which is facing us. I think he would say finally that what is needed is a much more active attitude on the part of the government to help people to help themselves and to help develop this country.

We have in the west resources that are only now coming fully into being. We have great mineral resources along with the oil and coal in the prairie provinces. If there was a plan concerted by the government along with the provinces—I do not mean that the government should do things itself—if there was an effort to create an economy favourable to enterprise, what someone has called an economy of opportunity, it seems to me that there might be brought about that industry, energy and initiative to develop the resources which we need to help to carry this extra load.

On motion of Mr. Macdonnell (Greenwood) the debate was adjourned.

TRANSITIONAL MEASURES ACT, 1947

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

Hon. Douglas Abbott (Minister of Finance) moved the second reading of Bill No. 56, to amend the Continuation of Transitional Measures Act, 1947.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, the house now has before it the bill which arises out of the resolution debated on Friday last. The bill is quite brief, simply having the effect of continuing the statute for a period of thirteen months from its present expiry date of March 31, 1950. In one or two respects the bill does not contain what it was indicated to the house it would contain. When the resolution was in the committee stage it was clearly stated that the measure would contain the actual orders in council which were to be continued thereby. The parliamentary assistant to the Minister of Finance (Mr. Sinclair) is reported on page 1105 of *Hansard* of March 24 as saying:

> The actual list of controls which will still be in effect will appear as a schedule to the bill.

Then at page 1107 he is reported as saying:

> . . . the schedule to the bill will show the orders in council and amendments which are being carried forward.

The bill before the house contains no such thing. We must look to the consolidation of orders in council outside the statute and do a little subtracting in order to find out precisely what orders in council the house is now being asked to give legislative effect to in what I call a devious and improper way for a parliament to proceed. The parliamentary assistant will recall that a year ago the Minister of Justice (Mr. Garson), who piloted this same measure through the house in that session, told us that twelve orders in council were to be continued. We are now told that the twelve orders are still in effect. Much has been made of the fact that we have been told there has been considerable demobilization in the control structure, but we find that there are still twelve orders in effect. Six of them are to be terminated on March 31 while six will be continued for the remaining thirteen months of the life of the bill now before us.

In a statement to the house on March 24 the minister made it clear that the bill was intended to permit the government to continue rent control. He said, as reported on page 1089 of *Hansard*:

> . . . during the past year all the orders contained in the schedule to the act have been revoked except those relating to price and rent control.

I interpolate here that what I think the minister meant was that orders have been passed which will have the effect on the 31st of this month of terminating six of the twelve orders that were continued in effect a year ago. The minister continued:

> The government does not intend to invoke the limited powers now granted by the act to reimpose controls already lifted. Therefore the practical effect of the proposed bill is to continue the authority to control rentals only, for a further period.

Taking up the minister's statement for the moment, if the only purpose of this bill is to continue rent control, then there can be no room for argument or difference of opinion within the house. I have not heard any party or any member of this house object to the continuation of rent control. If that is the only purpose of the bill, then we are in agreement on the purpose. The question remains then as to the method by which the purpose is to be carried out.

Looking at the hodgepodge of orders in council which he was asking parliament to give legislative effect to for this further period of thirteen months, the minister, with commendable candour, said, as reported on page 1089 of *Hansard*:

> These are extraordinary powers and they should be exercised with great discretion.

May I comment upon the two phrases of that statement, dealing first with the second phrase, that they should be exercised with great discretion. I take it that there will be complete agreement with the formula thus laid down by the Minister of Finance (Mr. Abbott), but if we are to judge his conception of what is great discretion in the exercise of such powers by the exercise that he and the government made of those same powers last November, when they brought in sweeping and blanket increases in rent control without the slightest consultation with the house, then the house will want more than the bland assurance given by the minister in his statement of March 24 before assuming that these extraordinary powers will be exercised in fact with great discretion.

I do not propose to review what I said on March 24 about the kind of statements that have been emanating from the ministry in recent years. I call the attention of the house to the low estimate placed by the government upon its own statements. I recall, as I did in the house last Friday, the way in which it suited the convenience of the present Minister of Finance (Mr. Abbott) in November, 1947, to turn tail upon the most categorical assurances given to this house in 1946 by his predecessor, the then minister of finance, Mr. Ilsley, on foreign exchange control. I refer also to the way in which it suited the convenience of the Minister of National Revenue (Mr. McCann) in this house last fall to turn tail on assurances that he himself had given to the house in April of last year that the radio committee would be consulted and would have an opportunity to report before the government would ask the house to vote a loan of $4 million to the Canadian Broadcasting Corporation for the development of television. Other instances can be cited of the very low way in which the government has treated assurances that it gave the house, to which the house attached the utmost good faith when they were made, and upon which it relied.

Let me turn to the first branch of the statement made by the Minister of Finance. He said, "these"—referring to the powers that the government seeks to arrogate to itself by the present bill for a further period of thirteen months—"are extraordinary powers." They are extraordinary powers indeed. No member of the house can gainsay that fact. It is because they are extraordinary powers and because in this year of grace, 1950, five years after V-E day, there can be no excuse for the continuation of extraordinary and arbitrary powers in such a form, that we in the opposition have said that this is an utterly and inherently wrong method of dealing with the question of rent control. If the field within which, according to the minister's own statement, these extraordinary powers are to have their play is to be confined to rent control, what possible excuse can there now be for failing to bring before the house a proper measure to continue rent control?

In the face of what the minister has pictured to the house as a simplification of the situation, why must we now continue to have a situation where we do not find the law relating to rent control that parliament is being asked to pass in the legislation that will actually pass this house, if the house gives effect to it, and will receive the assent of the governor general? Why do we have to go elsewhere, why do we have to go to the privy council office to find out what is the law of the land on a measure that is of the highest importance to hundreds upon hundreds of thousands of Canadian people? Surely there cannot be any excuse five years after the end of the war for asking parliament to proceed in this way and to hand over to the governor in council the power to make law, or for that matter to clothe with the effect of legislation orders in council that were never passed by parliament, orders in council that were simply passed by the governor in council and repose today in the privy council office. That is precisely the effect of the present measure.

We are being asked to give continued legislative effect to something that never has been legislated, to something that in the beginning was order in council and will under the measure before the house continue to be order in council. In the year 1950 that is just as wrong as any type of procedure could be that the government could propose in this house. If the house sees fit to pass the present bill it will be continuing a situation where we do not find the legislation in the statute books of parliament, where we cannot find the law of the land in the statute rolls of the house, where the law of the land is to be found only in the privy council office, and where legislative effect is being given to the acts of a group that is outside parliament in its actions in this respect. There can be no possible excuse five years after V-E day, Mr. Speaker, for parliament subjugating and demeaning itself by giving legislative effect to orders in council in a situation of that kind.

What possible justification does the government give us? There has not been one word of attempted justification yet from the government benches of this abuse of the parliamentary method. There has not been the slightest excuse. It is true it might have involved a little draftsmanship in bringing in a bill that would select from this hodgepodge of orders in council those portions that require to be enacted in order to give proper legislative form and effect to rent control. Does it pass the ingenuity of those who are the advisers of the government to draft the necessary legislation? Would it have taken any longer for the house to deal with it? I do not think it would have. If it had been in proper form it would have taken less time because, as I have said, I think all members of the house are in agreement in supporting the principle of continuation of rent control.

That has not suited the purpose of the government. They have chosen rather to have parliament demean itself by continuing this hodgepodge of orders in council. I wonder how many hon. members of the house, who are again being asked in effect in the name of parliament to abdicate the proper use of the legislative function of the house in favour of the secondary method of giving legislative effect to something that was not done in the house, have really taken the trouble to read and scrutinize with care the remaining six orders in council which will be given legislative effect for a further period of thirteen months if the bill passes. I wonder, for instance, if they have read with care order in council P.C. 8528 and all the many amendments to it. If they have they will see that this order in council, apart from setting up the wartime prices and trade board, in clause 4 proceeds to clothe the board with sweeping and vast powers the like of which, apart from some aspects of rent control, are totally unnecessary now and, if the statement of the government is to be accepted, will not be used. They are powers the equal of which have never been conferred by parliament on any body in peacetime in the history of Canada. Yet parliament is being asked to give continued legislative effect to this order in council, and to confer on the wartime prices and trade board vast powers which the government itself now says it should not be necessary for that board to possess or exercise in view of the narrowing of the field within which the control system is to operate.

What a position in which to place the Canadian parliament: to vest in the wartime prices and trade board vast powers which the government does not even make the slightest attempt to pretend are required for the limited purpose of rent control! You know, Mr. Speaker, what many of these powers are. We find the broadest powers in order 8528 in reference to the investigation of the prices of goods and services. We have arbitrary powers vested in the board in regard to licensing. What possible justification can there be for continuing to give the board these licensing powers, when the duties of the board are to be confined to the administration of what remains of the system of rent control? Nevertheless, without the slightest explanation parliament is being asked to swallow this whole system of sweeping and arbitrary powers, and to give them legislative effect for another thirteen months. What possible justification can there be for continuing provisions like this, in paragraph 8 of this order in council:

> No person shall sell or offer for sale or supply any goods or services at a price that is higher than is reasonable and just, or withhold any goods or services from sale or supply for a price that is higher than is reasonable and just and, in any case where a person engaged in business accused under this provision has not kept such books of account as are necessary to exhibit or explain his transactions, the onus shall be upon such accused person to establish that the price is reasonable and just . . .

The government makes not the slightest pretence of offering any reason why sweeping powers of that kind should continue to be vested in the wartime prices and trade board; yet it asks this parliament to swallow them holus-bolus and continue to abdicate its own functions, something which this parliament cannot possibly contemplate if it is to retain its self-respect.

Then we have another provision, to the effect that no person shall acquire, accumulate or withhold from sale any goods beyond an amount reasonably required for the ordinary

purposes of his business. What has that to do with rent control? It has not the slightest bearing. Why, then, should this parliament be asked to give it continued legislative effect?

That is only one order in council. If we turn to P.C. 9029, with all its amendments, it may be that more of that order is required because that was the general order in council in regard to rent control; nevertheless it contains powers that are not needed today; and I could go through the other four orders that are to continue in effect for thirteen months commencing April 1 of this year.

There has not been a sounder point of view advanced in this house during the lifetime of this parliament than that advanced by my leader in his speech on Friday last, March 24, when he told the government in plain, well understood terms that if it would bring in a proper measure dealing with rent control, a measure in proper parliamentary form, it would undoubtedly command general support from all parties. That would have been the sound legislative method, the method that would commend itself to a parliament prepared to be reasonable in its actions, sound in its approach to national problems, yet determined to assert the proper position of parliament as champion of the rights of the people. That is the approach that would have commended itself to any government that had, first, a proper sense of responsibility to the house, and second, a desire to see the house proceed by proper parliamentary methods. Apparently neither of these attributes is to be found in this government. Without any attempt at or pretence of excuse or justification they simply dump on the doorstep of parliament this whole hodgepodge of consolidated orders in council, asking parliament to forget its proper procedure, to forget that it is a parliament and once more to reduce itself to the status of a rubber stamp in order to give legislative effect to something that will not be found in the bill but will repose over in the privy council office.

If ever there was an issue crystal clear, it is the issue now presented by this bill. Last year the Minister of Justice (Mr. Garson) thought he had a case for the continuation of this measure because at that time twelve orders in council and five types of control were still in effect. At that time it will be remembered that we still had controls with respect to steel, timber and building materials. Whatever justification he thought he had at that time, however, has been completely swept aside by the action of the government in reducing those controls to one, that is, rental control. If the situation is as simple as the government has pictured it to the house; if the intentions of the government are as straightforward as the Minister of Finance (Mr. Abbott) pictured them in the house last Friday, then I say the government has deprived itself of the slightest shred of excuse or justification for asking parliament to abdicate its proper functions and swallow holus-bolus this hodgepodge of orders in council.

[Mr. Fleming.]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the measure before us is one that parliament will have to pass. As a matter of fact if we get that far with it and the government asks unanimous consent to give it third reading tonight, I will not object to waiving the rules so that can be done. The reason I make that statement is that some people are concerned lest they lose even the minimum amount of protection now provided under rent control.

In putting it that way I think I make it clear that while we are ready to support this measure, we feel we must take a few moments to condemn the government for the way it has handled this whole business of rent control, particularly during the last two or three years. The people of Canada, I am afraid, have become inured to this sort of treatment, and are resigned to the statement made by the Minister of Finance (Mr. Abbott) the other day that the federal government intends to get out of rent control altogether by April 30, 1951. Nevertheless I feel the government should be told that thousands of people across this country—and this is particularly true in the city from which I come—resent the callous indifference the government has shown to this important problem in the lives of a great many Canadians.

While I am on my feet I want to say that to some extent I share the views expressed by the hon. member who has just spoken, though in part I may differ with him. I share his resentment of the fact that the bill does not include some of the things the parliamentary assistant told us last Friday it would include. Perhaps I resent it even more than the member for Eglinton (Mr. Fleming), because the statement the last speaker quoted was given as a direct answer to a question I put to the parliamentary assistant. He told us that there would be a schedule to the bill that would indicate the orders in council to be continued in force beyond March 31, and which would indicate also the orders in council to be continued only until March 31 of this year. The parliamentary assistant was a bit annoyed the other day because I was not satisfied with an indication of the orders in council by number. I wanted him to go

further and give us a schedule to the bill which would actually set out these orders in council.

Mr. Sinclair: I even gave the page numbers on which they could be found.

Mr. Knowles: The hon. member still does not seem to understand our complaint. He is boasting about the information he gave this house, which is found on page 1106 of *Hansard* of March 24, 1950. He stated categorically that that information would be included as a schedule to the bill. I wonder if the parliamentary assistant has seen the bill?

Mr. Sinclair: Yes.

Mr. Knowles: Where is the schedule?

Mr. Sinclair: I shall answer that when the time comes.

Mr. Knowles: I hope the parliamentary assistant will do more than answer the question. I hope he will implement his categorical assurance given the other night, by moving an amendment to put at least that much information into the proposed statute.

I want to say a bit more, Mr. Speaker, about the lack of information contained in the bill. While I share the views expressed by the member for Eglinton about the way in which this practice disregards the rights of parliament, I want to speak more particularly from the standpoint of the average citizen, be he a tenant or a landlord, who has a problem in the field of rent control. In a democracy it should be possible for a citizen who has to deal with a government department, or a government official, to be shown in black and white, and in simple language, what the law is. It should be possible to set before him a simple document telling him what his rights are. What a time any citizen, be he landlord or tenant, has today trying to find out what his rights are under this rent control legislation. As a matter of fact, as a result of the inadequate information that is available, many of these people write to their member of parliament for information. I think I know my way around the statutes, orders in council, regulations, documents, and the tremendous amount of material and information available to us here in Ottawa. I confess, however, that many of the questions that come to me in the field of rent control are presented in such a way that the only thing I can do is address a question to the Minister of Finance (Mr. Abbott).

For example, a few days ago I had an inquiry about the present situation with respect to evictions. I knew there was something about that somewhere in the regulations, but it seemed to me a waste of time to try to find it, because I realized that if I did find it, it would probably have been amended since the time my copy of the regulations was issued. So I wrote to the Minister of Finance, and asked him if he would supply me with the latest office consolidation of the relevant orders, and in particular give me information so that I could answer the question I had received about evictions. I received a letter from the Minister of Finance dated March 22, 1950. I should like to read part of it:

> There are no regulations dealing exclusively with evictions, but I would refer you to section 2 and section 13 of board order 800. Section 2 lists the types of property and leases not affected by that order and section 13 tells the circumstances under which a landlord may recover possession in accordance with the law of the province in which the accommodation is situated. In addition to these two sections, subsection 3 of section 4 of order 813 provides "that a landlord of any lodging as distinguished from a self-contained dwelling may recover possession by giving to the tenant a six-months' notice to vacate", and section 7 of the same order provides "that a landlord of any self-contained dwelling may give to the tenant a six-months' notice to vacate if he needs the accommodation as a residence for himself and the members of his family."
>
> Yours very truly,
>
> D. C. Abbott

I proceeded to look up, in the two booklets which the minister sent along with that letter, the various orders, sections and subsections to which he referred me. I found I was right in my original thought, that it would have been useless for me to look it up, because several of those sections had been amended. Little bits of paper containing the amendments had been pasted in the booklet, or the changes had been written in in ink.

My whole point, Mr. Speaker, in presenting this example, is that in addition to the affront to parliament that this sort of procedure involves, it is unfair to the average citizen of this country, because he is not able to go into a government office and be shown a clear statement of his rights. He should be able to find it in the law of the land. One should be able to turn up a statute governing the matter in question, and find it there. If he turns up what we have before us tonight, Bill 56, he finds it has one section, which changes the expiry date of the Continuation of Transitional Measures Act, 1947, so that it will continue in effect until April 30, 1951. That is all there is to it, and it tells him nothing. If, perchance, the parliamentary assistant decided it might be a good idea this time to keep the promise he made the other day, and put a schedule in the bill containing the information he said would be in a schedule to the bill, what would we then have in this

legislation? We would have, as the member for Temiscouata (Mr. Pouliot) said the other day, a book of numbers.

There would be two sections to that schedule. I am basing this assumption on what the parliamentary assistant said, as recorded at page 1106 of *Hansard* of March 24, 1950. The first section would list those orders in council that are being continued until April 30, 1951. We would know that the first one was P.C. 8528 1/11/41, wartime prices and trade regulations. Under that, we have a list of 15 other orders in council by number and date. The effect of these orders in council is simply to amend the first one. Then, the second order in council would be P.C. 9029 21/11/41, wartime leasehold regulations. Then, there is a list of nine more orders in council which amend that one, listed by number and by date. I shall not bother with the other four groups under that first heading, having to do with the orders in council to be continued in force, because they deal with relatively minor matters, nor with the second group of six orders in council, which will be discontinued as at March 31 of this year.

The main question before us is the continuation of rent control. As I say, in order to do that, there are to be these many orders in council carried forward. I suppose the parliamentary assistant is thinking of saying that it would be ridiculous to include, as a schedule to the bill, all of those 26 orders in council to which I have referred. In speaking of 26, I mean P.C. 8528, plus its 15 amending orders, which, taken together, constitute the wartime prices and trade regulations; and then P.C. 9029, which is the wartime leasehold regulations, plus its 9 amending orders in council. One of the reasons that it would be ridiculous to carry all of those orders in council forward into a schedule is that most of them are now dead. As a matter of fact some of the material the member for Eglinton was reading here tonight, and complaining about, is a dead letter. He was worked up over some of the authority that seemed to be contained in them, but rather needlessly, I would say.

The member for Coast-Capilano (Mr. Sinclair) seems to be enjoying the fact that I am saying that about the member for Eglinton. I tell him, however, that if it is the case that most of those 26 orders in council are in the category of dead letters, would it not be a simple matter to boil them down to a few sections in the statute itself that would give the necessary authority for rent control? Would it not be a simple matter to put these regulations down in black and white in the statute so that people of this country would know what their rights are? Let me come back to my point. The whole purpose of the first sixteen orders in council referred to in this schedule, which the parliamentary assistant said would be in the bill but which is not in the bill, is simply to keep alive on paper the wartime prices and trade regulations as a base or an authority for there being a rent control division. Let us get rid of all that and simply enact, by one section of the bill, the rent control authority. Similarly, P.C. 9029 and its nine amending orders in council simply make various changes in the original constitution of the rent control authority, all of which could be boiled down and made clear.

A while ago I referred to the documents which the Minister of Finance (Mr. Abbott) sent me the other day. One of them is entitled:

Office Consolidation
May, 1949

Wartime Prices and Trade Board
Orders Respecting
Maximum Rentals and
Termination of Leases for
Housing Accommodation
and Shared Accommodation

When I look into the booklet I find that within the space of seven pages there is printed P.C. 9029 as amended by the nine amending orders in council referred to as item 2 in the promised schedule. Right there that suggests the possibility of boiling all this material, which it is quite hard to find, down to a fairly simple statement. The parliamentary assistant says, "Oh, you need the other orders in council in order to give authority to P.C. 9029". This parliament now has authority to constitute or to continue its constitution, if you will, the rent control authority that is in existence; and I submit that it is something of that kind that should be done.

Then after you get this P.C. 9029 by this devious process of carrying forward the whole raft of dead-letter orders in council, you then move on to the board orders; and their numbers, of course, run fairly high. I have reached as high as board order No. 813; but they do not all relate to rent control. Many of them, of course, dovetail into each other. Any time that a difficult question is put to the Minister of Finance or to the rent control people, they have to get the answer. They have to sit down and study this section and that, and make sure that one section has not been repealed by another. Would it not be a great deal simpler—in fact, would it not save time and labour for all of the people out in the various offices—if once and for all the whole business were boiled down to a simple statement?

I argue that point for the sake of efficiency and because I think it is unfair to ask parlia-

ment to pass legislation that is so involved as this is and is so far removed from parliamentary investigation or inquiry. I urge it also because it seems to me that the democratic tradition is a good one, namely, that the people of the country have the right to know what the law of the land is and have the right to know what their rights are. As the situation is now, any citizen, whether landlord or tenant, who goes into a rent control office is obliged to take the word of the official that he is telling him what his rights are or are not. One of the reasons that we get many letters from these people is not that they do not trust the official who is behind the counter in the rent control office but that they have been brought up in the tradition that citizens in a democratic society have a right to know what the law is.

Mr. Macdonnell (Greenwood): The official does not always know what it is.

Mr. Knowles: Quite so. The official probably does what I do; he writes a letter to Ottawa, to the Minister of Finance, and gets a reply referring him to all these various sections, and gets a new book with the little slips pasted in so that he is brought up to date. Surely it is a fundamental rule that our citizens are entitled to know what the law is. When they go into a government office in Winnipeg or Vancouver it should be possible for them to see the law in black and white. They should know whether they are being given justice or not, and whether the law is being interpreted rightly or not. They should know when and where they may go to court to have their rights under the law protected, if they wish to do so.

I submit that it is not a good enough excuse simply to say that there are only thirteen more months with this and let us muddle along with it as it is. We have done far too much of that already, particularly since the war, with the habit that the government got into; and in my view this would be a good place to begin with the enacting of proper legislation.

One other comment I should like to make at this time is this. I suppose we have to accept the government's statement in the matter, a statement which is being carried forward into the bill, and that is that it is definitely going out of the field of rent control thirteen months from now. All previous extensions of the Continuation of Transitional Measures Act have carried with them the possibility of that act being continued for another year by the simple device of a resolution of both houses of parliament. For the first time that device is not being included, and we have a bill which foreshadows a definite ending of rent control at the end of April, 1951. As I say, the people in my city of Winnipeg and in other cities across the country have had, in the last few years, so many hard knocks in the matter of rent control that they have become inured to the government's callousness; but I would not be doing my duty if I did not again protest the way in which we have had, not rent control, not protection of the interests of our people, but rent decontrol hastened or pushed forward at an unnecessary rate, particularly in view of the failure of the government to deal with the fundamental problem in this field, namely, the problem of decent and adequate housing for all our people.

Mr. George A. Drew (Leader of the Opposition): With the purpose of this act, Mr. Speaker, in so far as it relates to a measure of rent control, there is not much disagreement in this house. But there should be disagreement on the part of every member of this house with the procedure that is being followed if he really examines what this act does and what result is produced. As has been pointed out, there is a problem presented to the members in connection with this present act which proposes to continue the transitional powers for another thirteen months, by the simple fact that this is March 28 and that, according to the information conveyed to the government by the law officers of the crown, this and any similar act terminates at midnight the day after tomorrow. For that reason we are confronted with a situation in which, if we assert the position that should be asserted in regard to legislation of this kind, we can produce a situation in which there would be no remaining rent control, simply because of the dilatory conduct of the government and their failure to bring this legislation before the house in time for hon. members to have the opportunity of giving it ample consideration and of finding some alternative course.

Now, from the remarks that have already been made, I wonder how many hon. members realize exactly what they are being called upon to pass. Do members of this House of Commons realize—those of them who are showing sufficient concern to listen to this debate on this tremendously important bill—that what is now being sought is the power to continue not only price controls, but a very wide measure of control, not only over goods, but over services? And do they realize that under this act as presented, if it is passed by the House of Commons, the government could deal with human services in any way it might see fit, and without any limitation imposed by the act?

You may say that would not be done. Other things have been done by this government which have greatly surprised members of the

house, as well as the people of Canada generally. I think a number of members have either misunderstood or misread the undertakings given by the government as to the scope of the continuing powers. I think many members of the house thought that it dealt only with rent controls.

I propose to speak about rent control, under this unsatisfactory method; but I also propose to speak of the other powers that are continuing. If this unsatisfactory method, this utterly unsound method of dealing with this particular problem, is to be adopted—and the very casual manner in which the government brings this on at the last moment would seem to make that almost a necessity—then it is quite true that it was necessary to continue the existence of the board which supervises the rent control provisions. That board is the board set up separately under order 8528, which was the original order in council establishing the wartime price and trade regulations. That order created the wartime prices and trade board, which is the board referred to in the rent control provisions.

Therefore in order to make the rent control provisions effective, without any change, and carry those loose provisions forward, it was necessary to provide for the continuance of this board. But they have gone a great deal farther than that, to provide for the continuance of the board. They have continued in force all the regulations that were put into effect, except those that were definitely limited in March of 1949.

Again may I say that a great many hon. members did not fully appreciate the effect of the provisions of the Continuation of Transitional Measures Act, which was discussed last year. Section 2 of that act reads as follows:

> Notwithstanding anything in the said act or in any order or regulation set out in the schedule thereto, the wartime prices and trade board shall not
>
> (a) exercise any of its powers under paragraph (f) of subsection one of section four of the wartime prices and trade regulations; or
>
> (b) grant leave to prosecute any person for violation of subsection one of section eight of the wartime prices and trade regulations;
>
> with respect to any goods or services other than the goods and services with respect to which an order of the board was made under that paragraph and is in force at the commencement of this act.

Now, paragraph (f) of section 4 is the part of section 4 which relates to the fixing of certain maximum or minimum prices on certain goods, and relates only to the power of the board in relation to those. But it does not in any way limit the power of the board to deal with a great many other very important subjects. It does not in any way limit the power of the board to deal with everything from (a) right down to (m) of the powers that were originally conferred.

Then when you come to section 8 (1) with respect to the wartime trade board we find that section 8 is the one which relates to offences, penalties and prosecutions, and that the only subsection of section 8 which has been deleted is the subsection which refers to penalties for goods being sold at higher than a reasonable and just price. But it does not in any way remove any of the other penalties in relation to orders made by the board in regard to prices, or the control of goods or services.

Now, this is not simply an exercise in the definition of terms. Just let us see some of the things that are being continued by this bill that is now before us. I shall take only a few of them, to illustrate the extent of the powers that are being continued by this bill now under consideration. Let us take paragraph (g), for instance, of section 4 (1), which provides that the board shall have power—

> To prescribe the terms and conditions upon which, and the manner and circumstances in which, any goods or services may be produced, manufactured, extracted, refined, processed, stored, transported, purchased, sold, offered for sale, supplied, assembled, installed, constructed, distributed, exhibited, advertised, delivered, used or dealt in or with, either generally or by specified persons, and to prohibit transactions and acts not in accordance therewith.

Mr. Speaker, that practically gives this board power over every human activity in this country, either in dealing with goods, or in offering their services. This provides power in the hands of this government for the conscription of manpower under any terms they see fit.

Mr. Sinclair: Nonsense.

Mr. Drew: Someone says "nonsense". Well, that is some illustration of the way in which this government presents legislation. They do not even know what they are putting forward; and then they object to a discussion of a bill that this all-powerful government introduces.

Mr. Sinclair: Read section 2 of last year's act.

Mr. Drew: I have just read it, if you had been listening.

Mr. Sinclair: That is the section which says that any order in council which has been removed up to that time cannot be imposed.

Mr. Drew: It does not say anything of the kind.

Mr. Sinclair: Read the last three lines.

Mr. Drew: It does not say anything of the kind at all. It simply says that that relates to paragraph (f) of section 4 (1), and it relates to section 8 (1). And the whole of that section is governed by those two limitations.

Mr. Sinclair: With respect to those few orders in council in effect when this act was passed, on March 25, 1949.

Mr. Drew: I cannot hear the hon. member, but I am trying to guess at what he is saying. If the hon. member has anything to say I wish he would say it. I may say that I am not discontinuing my remarks.

Mr. Fournier (Hull): This is on the second reading and there is no question period.

Mr. Drew: This is no question period. If the hon. member has something to say to the house I am quite prepared to sit down and listen to it.

Mr. Fournier (Hull): What he intended to say was that when we have cancelled an order in council referring to these matters we cannot revive it or pass another.

Mr. Drew: That is exactly the point. The fact that the Minister of Public Works (Mr. Fournier) comes in and supports this utterly preposterous statement by the parliamentary assistant is an indication that no one in the government knows what they are asking parliament to assent to.

Mr. Fournier (Hull): You are all wrong once more.

Mr. Drew: I am not all wrong. The government does not even know what it is asking parliament to do. What the act means is that if parliament by order in council cancels any of these provisions, they cannot be revived. That is exactly what the government should put before this house to deal with. If they simply want this act to retain the existence of the board they should cancel all of the wartime regulations except the one which provides for the board itself. When they do that, then under the act that was passed and to which the hon. member has referred it cannot be revived. But this is an order still continuing; this is an order still in effect.

That is exactly what the government should have done—cancelled by order in council all the provisions except that one part of this particular wartime order that is now carried forward and which creates the board necessary to administer the rent control provisions of the other order. I should like to point out some of the other provisions that are still here so that hon. members will know what is being dealt with. As an illustration, section 4, subsection (1) (h), provides:

> (1) The board shall have power
>
> (h) to require any person to obtain licences or permits from the board or from any person specified by the board; to prescribe the terms and conditions under which and the manner and circumstances in which such licences or permits or amendment thereof shall be obtained;

Then it goes on to point out what those licences may be for, and the next paragraph follows:

> (i) to amend, suspend or cancel any licence or permit issued or granted;
>
> (j) to prescribe the quantities of, the manner in which, and the terms and conditions under which, any goods or services may be bought, sold, supplied, distributed, delivered or used within prescribed periods of time and to prohibit purchase, sale, supply, distribution, delivery or use except in accordance with such prescription;
>
> (k) to require any person owning or having possession, control or power to dispose of any goods or services—

May I underline the word "services":

> —to deal with, use, dispose of or supply any such goods or services, in such manner as may be prescribed by the board; and no use, disposition or supply of any such goods or services in accordance with such manner shall constitute infringement of any mark, design, or other private or proprietary right;

Then it goes on to deal with manufacturing provisions. Those are the powers that are being continued. Some hon. members may be under the impression that an undertaking was given that those powers would not be exercised in the statement made by the Minister of Finance on March 24, but that is not what the Minister of Finance said. The Minister of Finance pointed out what powers were still in existence, which were the six orders to which the hon. member for Eglinton (Mr. Fleming) has referred, which are as follows: 8528, 9029, 34/4433, 3122, 4600 and 6233. The two important orders are 8528, the one covering the wartime prices and trade regulations, and 9029 covering the wartime leasehold regulations.

Mr. Cannon: The regulations which the leader of the opposition has been referring to have been in force for eleven years. Does he think it will do much harm to have them in force one more year?

Mr. Drew: I am pleased to note that the very capable lawyer who has just spoken realizes that these are in force. I am happy that he has enlightened the parliamentary assistant to that extent. When he asks whether it would do any harm to have them still in force I would remind the hon. member that these orders were put into effect in the days of great emergency just after the outbreak of war. They granted powers that were justified and would have been accepted by the people of Canada only under those grave conditions. There is no occasion eleven years afterward for an hon. member to say, "You have had them for eleven years, you might just as well continue them." The fact is that on other occasions this government has revived statutes or powers that were available to them without notice to this House of Commons and to the parliament of Canada.

I for one do not believe that any hon. member of this house should let pass in this casual way powers of this kind that place in the hands of the government, at their whim at any time, full control over all business and personal activities of this country and full power over the personal services of our people, in whatever capacity those services may be performed. Yet that is what is before us. Let us see what the Minister of Finance said with regard to the exercise of these powers. He is reported at page 1089 of *Hansard* of March 24, 1950, as having said:

> The government does not intend to invoke the limited powers now granted by the act to reimpose controls already lifted.

That is no assurance that these powers will not be invoked. It simply says that the government does not intend to invoke. There are hon. members of this house who have been here for many years and who will recall occasions on which this government explained originally that they did not intend to do something but, finding they had authority and power to do it, felt that it was appropriate and necessary for them to exercise that power. This is only a declaration of intention and nothing more.

If the government has no intention of using these powers, then let them by order in council repeal tomorrow that part of order 8528 which does not relate to the mere creation of the board which is necessary for the purposes of carrying on the rent controls under order 9029. If they do that they will give evidence that they have no intention of exercising any wider powers. If they do not do that then every hon. member here must accept full responsibility for leaving powers in the hands of the government under which in time of any measure of stress powers and controls inconsistent with our system of parliamentary responsibility may be invoked.

I am going to leave my remarks as to these wide provisions at this time in the hope that between now and three o'clock tomorrow afternoon the government will recognize it has no occasion to continue such powers unless it has some intention not disclosed by the Minister of Finance (Mr. Abbott). There is one simple way to demonstrate that, by passing the appropriate order in council which they can do in a matter of a few minutes with the knowledge before them. I am simply saying that for the time being I am going to leave the discussion of this particular subject so that the government will have an opportunity to consider the matter before the debate is revived tomorrow afternoon.

I will pass on to the provisions as to rent control. I have made our position clear on an earlier occasion. For the purpose of keeping the record quite straight I propose to refer to the position we took last year when these same measures were before the house. I do so because of the misinterpretation which has been placed upon the position which we took. On March 14, 1949, in the discussion of these very same measures, I had this to say, as reported at page 1449 of *Hansard* for that date:

> I would recall again that when the government of Canada asks us to give these loose powers to deal with rent control, with steel control, with timber control, with priorities, and with all these other controls, it has already said to the provincial governments, in effect: We do not believe that there is any emergency of the kind which necessitates our general authority; you go ahead and deal with these orders and we shall be very happy to leave the matter with you. Of course, the provinces will be called upon to deal with these by statute, and if they could deal with a rent control act, defining the rights of the tenants and landlords, then this house could have an act by which they could deal with other matters in the same way. And we should have them. There is no difficulty whatever in having proper acts of parliament to deal with each one of these subjects, which will restore to parliament its own authority, and which will restore to the members elected by the people of Canada their opportunity to say what the rights of the people will really be.

Further down on the same page I had this to say:

> If the Canadian parliament has any right to continue these powers, then it has the right and the authority to deal in the proper way with every one of the subjects covered in this omnibus bill; and that is the proper way to deal with it. But do not ask this House of Commons, do not ask parliament, to pass this omnibus bill which puts in one package all these loose and arbitrary powers in the way this one does.
>
> The continuance of these powers involves an extremely wide and arbitrary measure which permits ministers of the crown, and appointed officials who delegate their authority to others, powers which are not defined and which are expressly made free from the ordinary restraints of the courts; and they become in effect a sort of arbitrary power which we have come to associate with dictatorships in other countries.

I deal further with the same subject at page 1454 of *Hansard* for the same date in these words:

> I urge hon. members on both sides of the house, particularly those members on the other side of the house who have themselves criticized bureaucracy and the petty czars and dictators, that they vote against this resolution. By doing so they will insist upon proper acts being brought forward and they will also insist upon the return of true democratic parliamentary procedure in Canada.

The matter came up for discussion again on March 16, 1949, and on that occasion I was again discussing the question of dealing with these matters at that stage by loose orders instead of by clearly defined statutes which would leave no doubt about the rights of those affected by the legislation. I wish

to quote these words from what I said on March 16, 1949, as reported at page 1545 of *Hansard*:

> I said before and I repeat that the government still has the opportunity to deal with this in the parliamentary way. Bring before this house a rent control bill that will really deal with the rights of tenants and the rights of landlords, and really establish the rights of our people generally; and the government will find support from every part of this house.

That was what I said in March of last year and it is what I say now. This is a subject which should be dealt with by a bill which will define the rights of those who are affected in such a way that from one end of the country to the other the rights of tenants and of landlords in their related capacities may be clearly determined, that they may be able to go to the courts to have decisions made in our ordinary constitutional way, and that they may be no longer subject to the arbitrary decisions of a board set up to meet the emergencies of war which has no place in this fifth year after the war in a free Canada.

On motion of Mr. Drew the debate was adjourned.

IMMIGRATION

ADMISSION OF GERMAN NATIONALS TO CANADA

Hon. W. E. Harris (Minister of Citizenship and Immigration): Mr. Speaker, I should like to have unanimous consent to revert to motions for the purpose of making a short statement. On September 26 last the minister of mines and resources announced in the house that, while no change had been made in the existing regulations with respect to the admission to Canada of German nationals, it was the intention of the government to modify the enforcement of the regulations by considering applications for the admission from Germany of first degree relatives of legal residents of Canada. If approved, these applications were to be dealt with by special order in council. Consideration would be given to applications for the wife and unmarried children under eighteen, the husband, the parents aged sixty-five years and over, and the fiancee.

I am now tabling order in council P.C. 1606 passed on the 28th day of March, 1950, providing for the admission, without the necessity of a special order in council in each case, of German nationals who are close relatives of legal residents of Canada. Applications will be considered for the admission to Canada of the husband or wife; son, daughter, brother or sister, together with husband or wife, and unmarried children; the father or mother; the orphan nephew or niece under twenty-one years of age; the prospective husband or wife. The order in council also provides for the admission of displaced persons or refugees of German ethnic origin who were not German nationals on September 1, 1939.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we shall continue with the debate on this bill. When it is passed we will take up Bill No. 54, to amend the Fisheries Prices Support Act, 1944. If time is left we will take up the motion of the Minister of National Health and Welfare to set up a committee on old age security, and the motion of the Secretary of State for External Affairs to refer his estimates to a standing committee.

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

APPENDIX

ECONOMIC INDICATORS

REVIEW OF GOVERNMENT ACCOUNTS, 1949-50

BUDGET PAPERS

presented by Honourable D. C. Abbott, M.P.,
for the information of Parliament on the occasion
of the Budget of 1950-51

FOREWORD

The purpose of these Papers is twofold:

(1) to make available in one place and in convenient form, as a supplement to the Budget, some of the more comprehensive indicators of economic conditions prepared by the Dominion Bureau of Statistics and other Government agencies, together with brief comments;

(2) to present a preliminary review of the Government accounts for the fiscal year ending on March 31, 1950.

PART I

ECONOMIC INDICATORS

1. The National Accounts
   - National Income, Output and Expenditure
   - Personal Income and its Disposition
   - Saving
   - Investment
   - Revenue and Expenditure of All Governments
2. Employment and Wages
3. Trend of Prices
4. Balance of International Payments

The tables in this Budget Paper are based upon estimates provided by the Dominion Bureau of Statistics and other Government Departments. Some of the figures appear for the first time; others have been published elsewhere. All 1949 estimates are preliminary and subject to revision.

Except where indicated, the figures for Canada do not include the Province of Newfoundland because of the lack of comparable data for the period prior to Union, March 31, 1949.

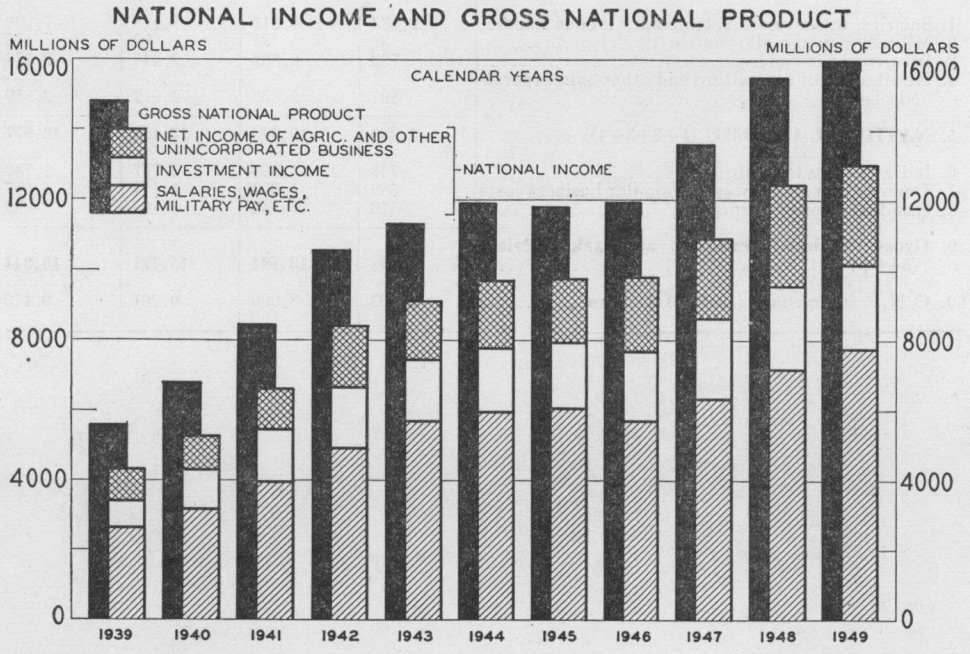
THE NATIONAL ACCOUNTS

National Income, Output and Expenditure

National Income measures the annual earnings of Canadian residents from productive operations. As such it includes salaries, wages and other forms of earnings by employees, in cash or otherwise, plus military pay and allowances. It includes corporation profits and other returns on invested capital. It includes the net income of farmers and of others who are in business on their own account.

Gross National Product is the value at market prices of all the goods and services produced in a year by the labour, capital and enterprise of Canadian residents. It is obtained by adding to National Income indirect taxes and such costs as depreciation allowances which may be regarded as entering into the cost of the goods and services produced, but do not form part of the incomes of Canadians. On the other hand, government subsidies, which reduce the price to the consumer or add to the income of producers, have to be deducted since they form part of the income of Canadians but do not enter into costs of production.

The goods and services produced in a year are either sold at home or abroad or added to inventories. Gross National Expenditure indicates how the Gross National Product was disposed of. Thus it measures the same total as Gross National Product but in a different way. Since foreign expenditures on Canadian goods and services, i.e., exports, form part of the earnings of Canadians in the Gross National Product, they are likewise included in Gross National Expenditure. While Canadian expenditure on imported goods and services is included in the totals of consumer expenditure, government expenditure and gross home investment, it is not part of the disposition of Canadian production and is therefore deducted.



Production and Income

The total value of goods and services produced by Canadians continued to rise during 1949, though at a lower rate than in the previous year. Eliminating the upward price change, it is estimated that national production in terms of physical volume increased by about 2% between 1948 and 1949.

Looking back to 1939, the national product has grown in value by over 180% and in physical terms by about 70%. Most of the increase in physical output occurred during the war years and can be attributed in large measure to the absorption of unemployed labour and resources. During the postwar years of high employment, output has shown a small but steady annual rise.

Income received in the form of wages and salaries rose by 7% between 1948 and 1949, reflecting the continued high level of employment and a further increase in rates of pay. Farm income, which has risen proportionately more than any part of the National Income since prewar years and which increased by about one-third from 1947 to 1948, fell by 5% between 1948 and 1949. Both lower prices and reduced crops account for the decline.

Investment income and the income of unincorporated businesses other than farming were up very slightly from the previous year.

TABLE 1

NATIONAL INCOME AND GROSS NATIONAL PRODUCT

—	1939	1947	1948	Prelim. 1949
	(Millions of Dollars)			
1. Salaries, wages and supplementary labour income.	2,583	6,212	7,113	7,630
2. Military pay and allowances	32	83	82	115
3. Investment income	783	2,307	2,348	2,373
4. Net income of agriculture and other unincorporated business	891	2,336	2,912	2,859
5. **NATIONAL INCOME** (1+2+3+4)	**4,289**	**10,938**	**12,455**	**12,977**
6. Indirect taxes less subsidies	737	1,604	1,767	1,782
7. Depreciation allowances and similar business costs	582	1,009	1,141	1,277
8. Residual error of estimate	−10	40	108	−93
9. **Gross National Product at Market Prices** (5+6+7+8)	**5,598**	**13,591**	**15,471**	**15,943**
10. G.N.P. in Constant (1935-39) Dollars	5,523	8,990	9,201	9,412

EXPENDITURE

The additional output produced by Canadians in 1949 was absorbed at home. Exports, which are a measure of the demand from outside the country, were about equal in value to the previous year.

Personal expenditure on consumer goods and services increased by $667 million, or 7% from 1948. This increase, though substantial, is less both in absolute amount and proportionately than in recent years.

Investment demands for plant, equipment and housing absorbed an even higher proportion of available labour and materials than in 1948.

From the peak of war expenditures in 1944 until 1947 the claims of federal, provincial and municipal governments on the available supply of goods and services declined steadily and sharply. In 1948 the trend was reversed and in 1949 there was another increase of 18%.

These changes in the expenditure side of the national accounts are analysed in greater detail in the following pages.

TABLE 2

GROSS NATIONAL EXPENDITURE

—	1939	1947	1948	Prelim. 1949
	(MILLIONS OF DOLLARS)			
1. Personal expenditure on consumer goods and services	3,861	9,126	10,083	10,750
2. Government expenditure on goods and services	724	1,551	1,787	2,108
3. Gross home investment—				
(a) plant, equipment and housing	554	2,057	2,663	2,829
(b) inventories	327	879	646	12
4. Exports of goods and services [1]	1,451	3,629	4,044	3,974
5. Imports of goods and services [1]	−1,328	−3,612	−3,645	−3,824
6. Residual error of estimate	9	−39	−107	94
7. Gross National Expenditure at Market Prices (1+2+3+4+5+6)	**5,598**	**13,591**	**15,471**	**15,943**
8. G.N.E. in Constant (1935-39) Dollars	5,523	8,990	9,201	9,412

[1] Minor adjustments have been made to the figures of current receipts and payments shown in Table 12 and in "The Canadian Balance of International Payments, 1926-48", Dominion Bureau of Statistics, to achieve consistency with the other component series.

Personal Income and Its Disposition

How much Canadians spend for consumer goods and services depends upon their personal incomes, their taxes and how much they decide to save, borrow, or spend out of previous savings.

The total of personal income differs from the National Income in several respects. For example, it includes only that part of corporation income which is actually distributed. Deductions from employees' total earnings must also be made for unemployment insurance contributions and similar contributions which, although forming part of the compensation for services performed, are not actually received by the employee within the year. On the other hand, transfer payments such as family allowances, old age pensions, veterans benefits and charitable contributions by corporations are included in arriving at the total of personal income.

TABLE 3

SOURCES OF PERSONAL INCOME

—	1939	1947	1948	Prelim. 1949
	(Millions of Dollars)			
1. Salaries, wages and supplementary labour income..	2,583	6,212	7,113	7,630
Deduct: Employer and employee contribution to social ins. and govt. pension funds.....	−34	−181	−223	−238
2. Military pay and allowances.....	32	83	82	115
3. Net income of agriculture and other unincorporated business.....	891	2,336	2,912	2,859
4. Interest, dividends and net rental income of persons	564	1,032	1,141	1,196
5. Transfer payments to persons (excluding interest)				
(a) from government.....	249	848	851	917
(b) charitable contributions made by corporations.....	6	15	16	16
6. Personal Income (1+2+3+4+5).....	**4,291**	**10,345**	**11,892**	**12,495**

Personal income, like the National Income, continued to rise during 1949, but at a less rapid rate than in previous years. Wages and salaries were higher. Substantial payments by the Canadian Wheat Board and payment of the refundable portion of wartime income taxes added to personal incomes(1). As already indicated, however, farm incomes were somewhat lower as a result of poorer crops and lower average prices.

There was an increase in the total of transfer payments by governments. Family allowances and old age pensions involved significantly larger transfers in 1949, as a result both of higher average rates of benefits and a growing number of recipients. Unemployment insurance benefits were on a higher level, reflecting the increase in the numbers of unemployed, a high proportion of whom were covered by the insurance scheme. These gains were reduced by a further tapering off in payments of such postwar benefits to veterans as gratuities, rehabilitation benefits and re-establishment credits, which were at their peak in 1946.

(1) However, the total of personal income shown in Table 3 does not include the payment of the refundable portion of wartime income taxes.

The amount of personal income available for spending or saving is the total of personal income less direct taxes on personal income. In 1949, direct taxes fell sharply, accounting for less in absolute amount than in any year since 1945, and for a smaller proportion of personal income than in any year since 1941. As a result, personal disposable income rose by about 6% between 1948 and 1949.

Consumer spending increased in about the same proportion, indicating that net savings out of personal income were about the same as in 1948. There was a modest increase in dollar expenditure on perishable goods such as food, tobacco and beverages, and an even smaller increase in spending for semi-durable goods such as clothing. When price changes are eliminated, there was probably a small decrease in total volume of purchases of perishables and semi-durables. On the other hand, expenditure for durables—automobiles, furniture, household appliances, etc.—rose by an estimated 14% in value and about 9% in physical volume. Expenditure on services also increased substantially, reflecting in part the rising level of rentals.

As shown in table 4, it is estimated that consumer expenditure was 180% higher in dollar terms in 1949 than in 1939. Eliminating price changes in the interval and making allowances for the population increase, it would appear that, on the average, each Canadian is now consuming about 50% more of goods and services than in immediate prewar years.

DISPOSITION OF PERSONAL INCOME

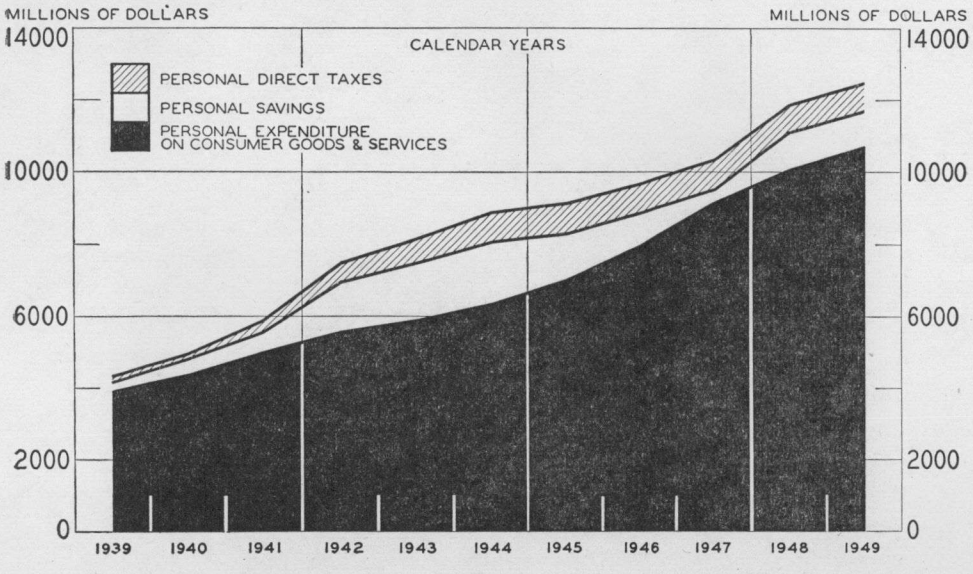


TABLE 4

DISPOSITION OF PERSONAL INCOME

—	1939	1947	1948	Prelim. 1949
	(Millions of Dollars)			
1. Personal direct taxes				
(a) income taxes	61	694	717	674
(b) succession duties	28	61	57	56
(c) miscellaneous	21	36	47	56
Total direct taxes	110	791	821	786
2. Personal expenditure on consumer goods and services—				
Goods:				
(a) Perishable—foods, tobacco, beverages, drugs, fuel, etc	1,644	4,305	4,852	5,074
(b) Semi-durable—Clothing, house furnishings, auto accessories, etc	508	1,430	1,586	1,602
(c) Durable—automobiles, furniture, household appliances, hardware, jewellery, etc	245	751	820	938
(d) Miscellaneous	45	152	190	202
Services	1,475	2,529	2,758	3,011
Net Personal Expenditure Abroad	−56	−41	−123	−77
Total Consumer Expenditure	3,861	9,126	10,083	10,750
3. Personal saving—				
(a) personal saving excluding farm inventories	260	317	1,053	1,065
(b) net changes in farm inventories	60	111	−65	−106
Total personal saving	320	428	988	959
4. Personal Income (1+2+3)	**4,291**	**10,345**	**11,892**	**12,495**

SAVING

For the purpose of the National Accounts, saving is defined as being equal to investment.

Thus, a balance sheet can be constructed showing, on the one side, the sums which Canadians do not spend out of their incomes on immediate consumption—which are defined as saving—and, on the other side, the total amount spent for non-consumption goods such as factories, machinery, houses, additions to inventories, etc.—which are defined as investment.

Saving can therefore be regarded as the source of funds out of which investment expenditure is financed or, alternatively, investment expenditure can be regarded as providing an outlet for the savings set aside out of income.

A surplus of government revenue over expenditure adds to the total of saving. It is in effect a form of community saving. A government deficit, on the other hand, is a claim upon, and therefore a deduction from, private saving.

TABLE 5

SOURCES OF SAVING

—	1939	1947	1948	Prelim. 1949
	(MILLIONS OF DOLLARS)			
Personal saving	320	428	988	959
Undistributed corporation profits	219	602	716	625
Undistributed Wheat Board profits	.....	37	−155	−84
Inventory revaluation adjustment(1)	−56	−18	−4	3
Depreciation allowances	582	1,009	1,141	1,277
Government surplus (+) or deficit (−)(2)	**−42**	**816**	**807**	**398**
Residual error of estimate(3)	−10	40	108	−93
Total	1,013	2,914	3,601	3,085

(1) The adjustment has been made only to grain held in commercial channels.
(2) See Table 10.
(3) See Tables 1 and 2.

Because of limited supplies of goods and services, particularly durables, and under the stimulus of loans and savings campaigns, personal saving was at a very high level during war years. During 1945, 1946 and 1947 consumption expenditures revived quickly and personal saving fell proportionately. In 1948, however, the trend was again reversed; incomes rose much more rapidly than expenditure for current consumption—probably because of sharply rising prices—leaving proportionately as much over for saving as in 1946. Personal saving remained at approximately the same level in 1949.

Corporate profits both before and after taxes were at levels somewhat below 1948. Dividends paid out increased by $73 million, leaving retained profits of about $625 million as against $716 million in 1948.

TABLE 6

CORPORATION PROFITS AND CORPORATE SAVINGS

—	1939	1947	1948	Prelim. 1949
	(Millions of Dollars)			
Corporate profits before taxes(1)	618	1,828	1,969	1,914
Deduct corporate taxes(2)	−112	−724	−710	−673
Corporate profits after taxes	506	1,104	1,259	1,241
Deduct dividends paid out(3)	−287	−502	−543	−616
Undistributed corporate profits(4)	219	602	716	625

(1) Includes depletion charges and is adjusted for corporate losses, renegotiation of war contracts and conversion to a calendar year basis.

(2) Taxes paid or payable in respect of the calendar year's income, excluding the refundable portion of the excess profit tax. (See Table 10).

(3) Includes charitable contributions made by corporations. (See Table 3 Item 5(b)).

(4) See Table 5.

The gradual return to a position of balance between the expenditure and revenue of federal, provincial and municipal governments is reflected in the decline in the amount of saving accounted for by government surplus from $807 million in 1948 to $398 million in 1949.

The other substantial change in private saving was the further reduction in undistributed profits of the Canadian Wheat Board which, during 1949, made substantial participation payments to producers.

TABLE 7

DISPOSITION OF SAVING

—	1939	1947	1948	Prelim. 1949
	(Millions of Dollars)			
Gross Home Investment	881	2,936	3,309	2,841
Net increase in foreign assets (including foreign exchange) adjusted(1)	123	17	399	150
Residual error of estimate(2)	9	− 39	−107	94
Total	1,013	2,914	3,601	3,085

(1) Minor adjustments have been made to the figures appearing in Table 12.

(2) See Tables 1 and 2.

INVESTMENT

The claims upon saving represented by investment expenditure in plant, equipment and housing were sustained at a high level in 1949. Net investment abroad and in foreign exchange, i.e., the net balance of international payments on current account, however, fell sharply from 1948 to 1949 (For more detailed discussion see section on Balance of International Payments). There was no appreciable investment in additional inventory.

TABLE 8

GROSS HOME INVESTMENT

—	1939	1947	1948	Prelim. 1949
	(MILLIONS OF DOLLARS)			
Plant, Equipment, and Housing—Total(1)	554	2,057	2,663	2,829
New Residential Construction(2)	145	492	647	753
Other New Construction	126	564	806	847
New Machinery and Equipment	283	1,001	1,210	1,229
Inventories—Total	327	879	646	12
Grain in Commercial Channels(3)	127	22	55	— 1
Farm Grain and Livestock(3)	60	—111	— 65	—106
All Other Inventories(4)	140	968	656	119
Gross Home Investment(5)	**881**	**2,936**	**3,309**	**2,841**
Percentage of Gross National Product	**16%**	**22%**	**21%**	**18%**

(1) Includes private businesses and institutions, and publicly owned public utilities.
(2) Excludes construction by Wartime Housing Limited which is included with Government expenditure on goods and services (Table 2).
(3) Value of physical change.
(4) Change in value. Includes privately financed industrial and trade inventories.
(5) See Table 2, Item 3.

Analysis of investment expenditure in 1949 reveals some decline in capital expenditure by manufacturing industries and by trade, finance and commercial services, but this was more than offset by investment on a rising scale by primary industries, institutions and public utilities and in housing.

Capital expenditure by governments, too, rose substantially even though the policy of the Federal Government was to postpone projects wherever possible in order to avoid competition with private demand for labour and materials.

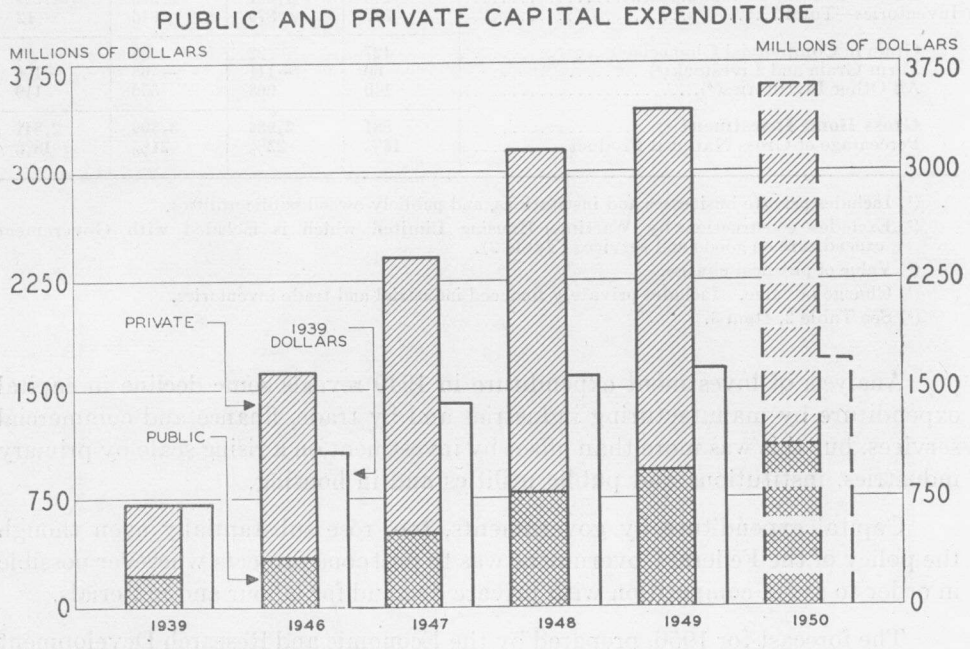
The forecast for 1950, prepared by the Economic and Research Development Branch of the Department of Trade and Commerce, is for a continued upward movement in over-all capital outlay. Expenditure by institutions, public utilities and government are likely to comprise an increasing proportion of the total program. House building activity may tend to level off.

TABLE 9

PUBLIC AND PRIVATE CAPITAL EXPENDITURE

—	1946	1947	1948	Prelim. 1949	1950(1)
	(Millions of Dollars)				
Primary industries and construction industry	229	395	529	575	536
Manufacturing	321	539	579	522	496
Utilities	239	379	551	642	703
Trade, Finance and Commercial Services	164	203	281	258	291
Institutions	54	80	137	187	232
Housing	412	533	682	786	785
Direct Government	194	290	392	457	553
TOTAL CAPITAL EXPENDITURE	1,613	2,419	3,151	3,427	3,596
Total Capital Expenditure as a percentage of G.N.P.	14	18	20	21	22
Total Capital Expenditure in Constant (1939) Dollars	1,067	1,407	1,589	1,643	1,711

(1) Forecast.



Revenue and Expenditure of all Governments

In Table 10, "Government Transactions Related to the National Accounts", an attempt is made to bring together in one statement and under uniform headings the activities of all governments in Canada on a calendar year basis.

The table is designed to include only those transactions which have relevance for the National Accounts, and consequently the surpluses or deficits shown here do not agree with those shown in the various public accounts. It has been necessary to adjust the conventional accounting statements of fiscal year revenue and expenditure to exclude purely bookkeeping transactions as well as the purchase and sale of existing capital assets. Extra-budgetary funds such as unemployment insurance, workmen's compensation and pension funds have been added, and surpluses or deficits of Government enterprises are likewise included. In the federal accounts some of the more substantial adjustments are as follows: addition of national defence recoverable expenditure, allocation of war refunds to prior years, adjustment of corporate taxes to an accrual basis, elimination of sales of war assets to business, and elimination of British Commonwealth Air Training Plan write-off from expenditure. In addition the federal figures have been adjusted to a calendar year basis by using the monthly figures published by the Comptroller of the Treasury. Government loans to foreign countries or accumulation of gold or foreign exchange are not included with government expenditure.

For purpose of analysis, expenditures by governments may be divided into two main categories: expenditures for the purchase of goods and services, and so-called transfer payments, i.e., family allowances, old age pensions, veterans benefits, the greater part of the interest on the public debt, etc., which do not arise from current production of goods and services. The first category represents the demands which governments place on the annual output of the nation. Transfer payments, on the other hand, simply add to the sums available for spending or saving by the recipient.

GOVERNMENT EXPENDITURES ON GOODS AND SERVICES AS A PERCENTAGE OF GROSS NATIONAL PRODUCT

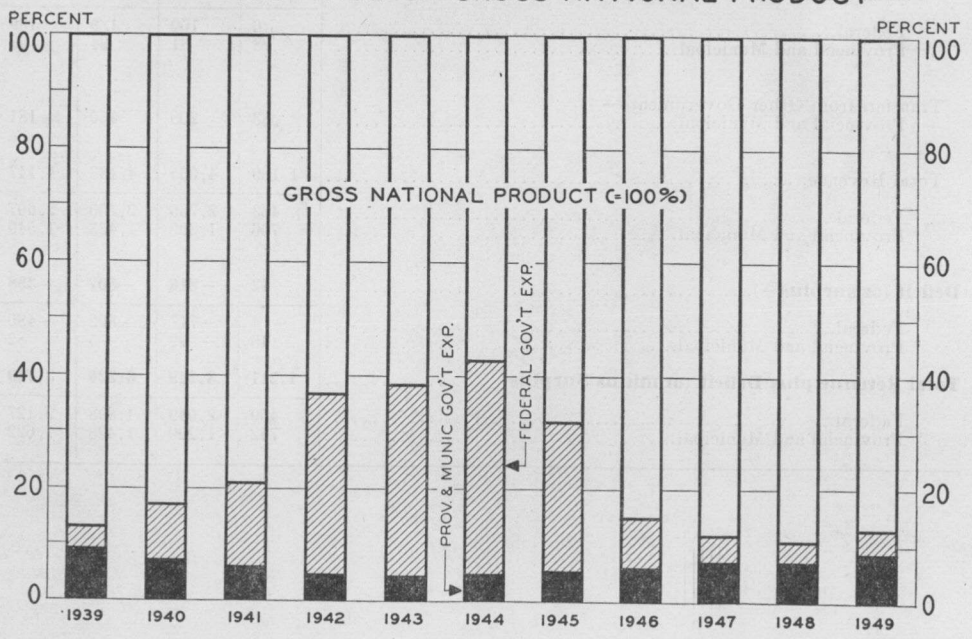


TABLE 10

GOVERNMENT TRANSACTIONS RELATED TO THE NATIONAL ACCOUNTS

—	1939	1947	1948	Prelim. 1949
	(Millions of Dollars)			
Government Revenue—				
Direct Taxes—Persons	110	791	821	786
Income and Excess Profits—				
Federal	46	694	717	674
Provincial and Municipal	15	.....	.....	.....
Succession Duties—				
Federal	.....	30	29	26
Provincial	28	31	28	30
Miscellaneous—				
Federal	3	4	6	7
Provincial and Municipal	18	32	41	49
Direct Taxes—Corporations	123	759	751	720
Income and Excess Profits—				
Federal	98	652	588	547
Provincial	14	72	122	126
Withholding taxes—federal	11	35	41	47
Indirect Taxes	720	1,781	1,842	1,857
Federal	310	1,136	1,085	1,043
Provincial and Municipal	410	645	757	814
Investment Income	99	345	346	365
Federal	−11	115	105	124
Provincial and Municipal	110	230	241	241
Employer and Employee Contributions to Social Security and Pension Funds	34	181	223	238
Federal	6	100	129	139
Provincial and Municipal	28	81	94	99
Transfers from Other Governments—				
Provincial and Municipal	83	208	150	181
Total Revenue	1,169	4,065	4,133	4,147
Federal	463	2,766	2,700	2,607
Provincial and Municipal	706	1,299	1,433	1,540
Deficit (or surplus−)	**42**	**−816**	**−807**	**−398**
Federal	− 4	−717	−802	−480
Provincial and Municipal	46	− 99	−5	82
Total Revenue plus Deficit (or minus Surplus)	**1,211**	**3,249**	**3,326**	**3,749**
Federal	459	2,049	1,898	2,127
Provincial and Municipal	752	1,200	1,428	1,622

TABLE 10—Concluded

GOVERNMENT TRANSACTIONS RELATED TO THE NATIONAL ACCOUNTS

—	1939	1947	1948	Prelim. 1949
	(Millions of Dollars)			
Government Expenditure—				
Goods and Services	724	1,551	1,787	2,108
Federal	214	619	667	861
Provincial and Municipal	510	932	1,120	1,247
Transfer Payments	421	1,313	1,314	1,385
Federal	180	1,051	1,010	1,013
Provincial and Municipal	241	262	304	372
Subsidies	−17	177	75	75
Federal	−18	171	71	72
Provincial and Municipal	1	6	4	3
Transfers to Other Governments—				
Federal	83	208	150	181
Total Expenditure	**1,211**	**3,249**	**3,326**	**3,749**
Federal	459	2,049	1,898	2,127
Provincial and Municipal	752	1,200	1,428	1,622

EMPLOYMENT AND WAGES

During 1949 the civilian labour force of Canada, including Newfoundland, averaged approximately 5,200,000, a gain through natural increase and net immigration of 110,000 over 1948. Employment averaged 5,055,000, an increase of 80,000 over 1948. Unemployment, defined as those wholly unemployed and looking for work, averaged 145,000 in 1949, an increase of 30,000 over the previous year.

There is a considerable shift in and out of the labour force during certain seasons of the year. The labour force and employment is normally at its peak around September 1. The total number employed at the seasonal peak in 1949 numbered 5,255,000, an all-time high for Canada.

The following table presents a comparative picture of the civilian labour force, employment and unemployment for the years 1946-1949. The annual averages do not include Newfoundland which was first surveyed in October 1949. Results showed a total labour force in Newfoundland of 114,000 composed of 95,000 males and 19,000 females.

TABLE 11

THE LABOUR FORCE*

Annual Averages

(Thousands of Persons)

—	1946	1947	1948	1949
Civilian Labour Force	4,794	4,908	4,982	5,090
Male	3,720	3,841	3,919	4,002
Female	1,074	1,067	1,063	1,088
Unemployed	143	98	103	133
Employed	4,651	4,810	4,879	4,957
Paid Workers	3,124	3,262	3,372	3,469
Farm	146	119	134	144
Non-farm	2,978	3,143	3,238	3,325
Self Employed	1,126	1,158	1,160	1,160
Farm	679	661	668	670
Non-farm	447	497	492	490
Unpaid Family Workers	401	390	347	328
Farm	360	335	294	274
Non-farm	41	55	53	54

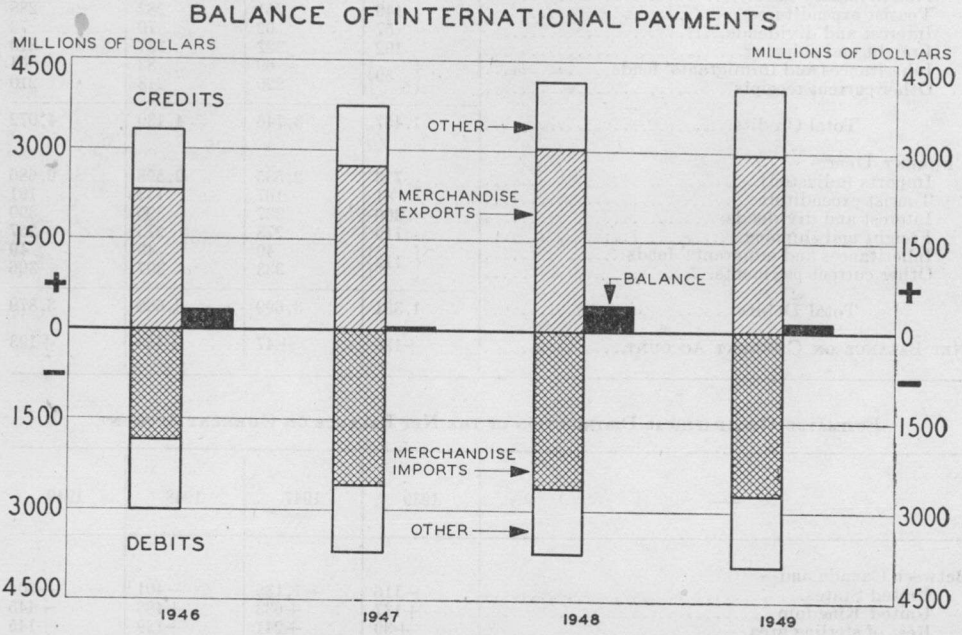
* Data do not include Newfoundland.

An indication of the trend of unemployment during the recent winter is provided by data on persons who have applied for work at National Employment Service offices. The average figures for November and December, 1949, were 206,000 and 274,000 respectively; and for January and February, 1950, an average of 362,000 and 377,000 respectively. Caution must be used in interpreting them as a measure of unemployment because they include some persons who had a job and exclude some unemployed persons who did not register. The increase in the number of persons looking for work was basically seasonal but reflected in some degree the impact of adverse weather conditions, lower overseas exports and currency revaluations. Present unemployment is concentrated in specific areas and industries; in many areas there is virtually full employment. The underlying employment trend is firm.

Labour income during 1949 was estimated at $7,630 million, 7% higher than in 1948. This increase was accounted for by a gain in employment of 2% and an over-all rise in wage rates estimated at slightly under 5%. Per capita weekly earnings, excluding agriculture, were estimated at about $43, compared to the 1948 average of $40.

Towards the end of the year, earnings showed a tendency to level off. Wage settlements generally showed provision for smaller increases in wage rates. As well, the easing of the labour market tended to retard the upward movement of wage rates in the unorganized sections of the labour market, such as agriculture.

Changes in hours worked per week had little effect on labour income in the aggregate, although short-time work was of significance in certain industries and a reduction of the standard work week was evident in others. On the whole, the number of hours worked per week in manufacturing during the year showed little change, the average of 42·9 being down fractionally from the figure of 43·2 for 1948.



BALANCE OF INTERNATIONAL PAYMENTS

When goods are exported (unless they are given away) they give rise to payments or debts in favour of Canada. Similarly, when goods are imported they give rise to payments or debts in favour of the rest of the world. Other transactions, such as interest and dividend payments, the tourist trade, freight and shipping charges, also give rise to similar payments or debts in either direction. The difference between the debits and credits arising from these current transactions is referred to as the net balance of international payments on current account. When total credits exceed total debits within a year, the rest of the world has gone into debt to Canada or Canada has paid off some of her debt to the rest of the world. When total debits exceed total credits, the net position is, of course, reversed.

TABLE 12

BALANCE OF INTERNATIONAL PAYMENTS

ESTIMATED CURRENT ACCOUNT BETWEEN CANADA AND ALL COUNTRIES

(Millions of Canadian dollars)

—	1939	1947	1948	1949[1]
CURRENT CREDITS				
Exports (adjusted)	906	2,723	3,030	2,988
Non-monetary gold	184	99	119	139
Tourist expenditures	149	251	282	288
Interest and dividends	57	62	70	73
Freight and shipping	102	322	337	310
Inheritances and immigrants' funds	{ 59 }	69	83	64
Other current receipts		220	218	210
Total Credits	1,457	3,746	4,139	4,072
CURRENT DEBITS				
Imports (adjusted)	713	2,535	2,598	2,686
Tourist expenditures	81	167	132	191
Interest and dividends	306	337	325	390
Freight and shipping	119	278	275	257
Inheritances and emigrants' funds	{ 112 }	49	49	49
Other current payments		333	307	306
Total Debits	1,331	3,699	3,686	3,879
NET BALANCE ON CURRENT ACCOUNT	+126	+47	+453	+193

ESTIMATED GEOGRAPHICAL DISTRIBUTION OF THE NET BALANCE ON CURRENT ACCOUNT

—	1939	1947	1948	1949
Between Canada and—				
United States	−116	−1,135	−401	−604
United Kingdom	+137	+633	+488	+445
Rest of sterling area	+39	+241	+129	+145
E.R.P. countries	{ +66 }	+274	+229	+182
Other countries		+34	+8	+25
All countries	+126	+47	+453	+193

[1] Estimates for 1949 are tentative and subject to significant alteration.

Canada's net surplus on current account of $193 million in 1949 was $260 million less than in 1948. The change is split evenly between commodity trade and other current transactions. About $190 million of the change is the result of an increase in Canadian payments, very largely in payments to the United States, arising from increased imports from that country. The other $70 million of the change is the result of a decrease in Canadian receipts, chiefly in receipts from E.R.P. countries other than the United Kingdom, and resulted mainly from a reduction in exports to those countries. There was very little change from 1948 to 1949 in either the value of exports to or of imports from the countries of the sterling area (including the United Kingdom); consequently Canada's surplus on current account with the sterling area was substantially the same as in the previous year.

Compared with 1948 there were in 1949 considerably increased exports of wheat, newsprint, non-ferrous metals, and a few types of fully manufactured goods, and substantially reduced exports of other agricultural products, especially of meats, of most other forest products, and of manufactured goods generally. Export prices were slightly higher in 1949 than in 1948 and the volume of exports in 1949 was lower than in 1948 by some 3%.

An appreciable decline occurred in imports of coal and petroleum. Otherwise imports generally were higher, including large increases in fruits and vegetables and motor vehicles and parts. Import prices were slightly higher in 1949 and there appears to have been little change in the volume of imports.

The available detail of Canada's international transactions on capital account in 1949 may be compared with 1948 as follows:

	(Millions of Canadian Dollars) 1948	1949
Loans to United Kingdom and other governments (gross)	−142	−120
Government of Canada borrowing in the United States	+150	—[1]
Increase (−) in official reserves of gold and United States dollars (U.S. $)	−496	−119
Other capital, including exchange adjustments, errors and omissions	+35	+46
Total[2]	−453	−193

[1] Excludes funds borrowed to retire securities guaranteed by the Government of Canada and payable in U.S. dollars.

[2] Equal in size but opposite in sign to net balance on current account.

TABLE 13

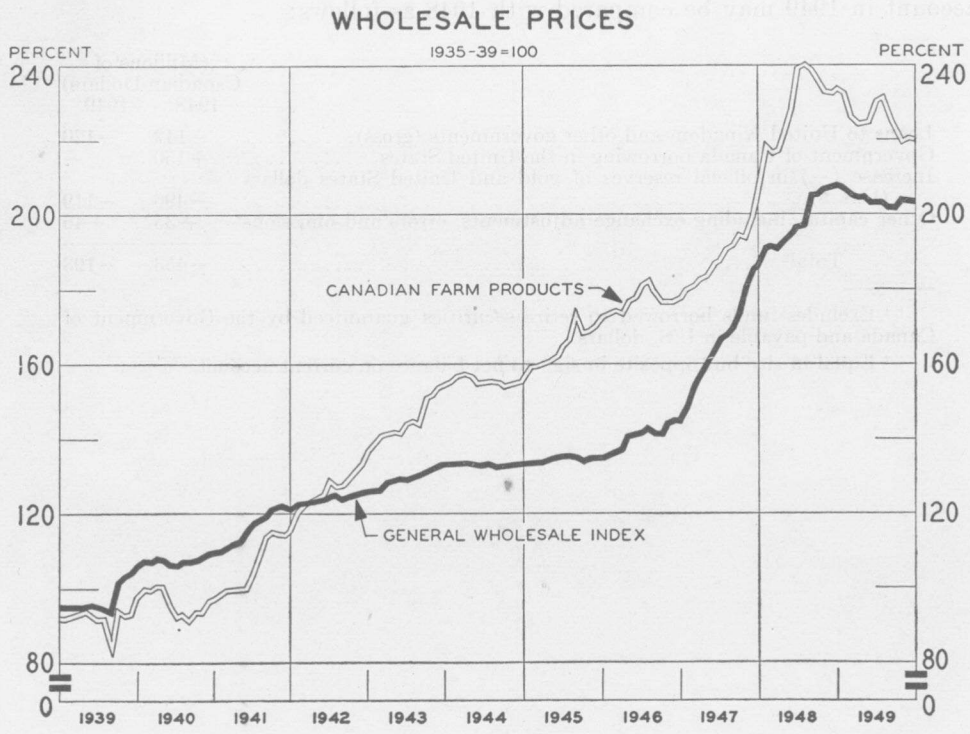
CANADA'S HOLDINGS OF GOLD AND U.S. DOLLARS

(millions of U.S. dollars)

—	Exchange Fund Account and Bank of Canada		Other Government of Canada Accounts	Private (2)	Total
	Gold	U.S. dollars	U.S. dollars	U.S dollars	Gold and U.S. dollars
Sept. 15, 1939	204·9	33·8	22·4	132	393·1
Dec. 31, 1939	218·0	54·8	33·4	98	404·2
Dec. 31, 1940	136·5	172·8	20·8	2	332·1
Dec. 31, 1941	135·9	28·2	23·5	.....	187·6
Dec. 31, 1942	154·9	88·0	75·6	.....	318·5
Dec. 31, 1943	224·4	348·8	76·4	.....	649·6
Dec. 31, 1944	293·9	506·2	102·1	.....	902·2
Dec. 31, 1945	353·9	922·0	232·1	.....	1,508·0
Dec. 31, 1946	536·0	686·3	22·6	.....	1,244·9
Dec. 31, 1947	286·6	171·8	43·3	.....	501·7
Dec. 31, 1948	401·3	574·5	22·0	.....	997·8
Dec. 31, 1949	486·4	594·1	(1) 36·6	.....	1,117·1

(1) Not including $18·2 million in United States dollars borrowed by the Government of Canada in August, 1949, and set aside for the retirement on February 1, 1950, of a security issue guaranteed by it and payable at the holder's option in United States dollars.

(2) Exclusive of working balances.



PRICE TRENDS

Taking the year as a whole, price levels in Canada in 1949 were higher than in 1948. The year ended, however, with the indexes of both general wholesale prices and the cost of living several points below the postwar peak.

General wholesale prices reached their highest point in December 1948 at a level about double 1939. Subsequently there has been a decline of about 2%. The prices of Canadian farm products reached their peak somewhat earlier—in July of 1948—at a level more than two and a half times the 1939 average and have since declined by about 9%.

The decline in agricultural prices found its reflection in a decline in food prices to consumers, which form a high proportion of the items included in the cost-of-living index. As a result, in spite of rising rents, the cost-of-living index is now about 1% below its peak of August 1949. However, rent increases which took place under the recent changes in rentals regulations are not yet recorded in the official index.

TABLE 14

WHOLESALE PRICE INDEXES
(1935–39 = 100)

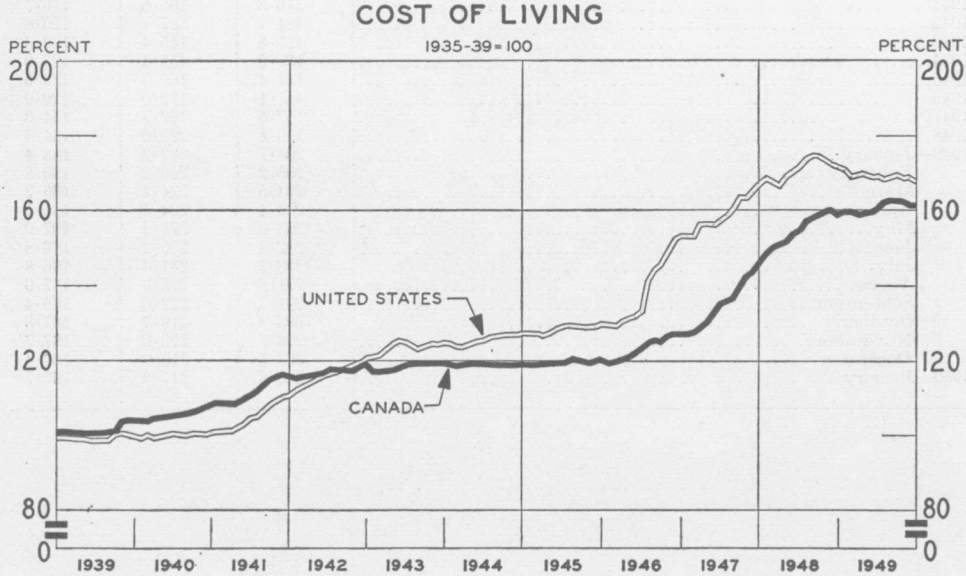
Monthly Averages	Total	Canadian Farm Products	Fully and Chiefly Manufactured Goods
1939	97·8	92·6	99·0
1940	107·6	96·1	107·1
1941	116·8	106·6	116·7
1942	124·1	127·1	120·8
1943	129·8	145·4	122·4
1944	133·0	155·3	123·0
1945	134·4	165·3	123·6
1946	141·1	177·0	129·9
1947	167·5	189·7	154·3
1948	199·1	229·6	184·4
1949—January	206·7	232·2	188·4
February	205·2	226·2	186·8
March	204·5	224·2	185·2
April	204·4	224·5	186·6
May	203·0	225·2	187·0
June	202·8	230·2	186·8
July	203·2	231·4	186·8
August	201·8	225·9	187·0
September	201·7	222·6	186·4
October	203·9	219·7	187·8
November	203·7	220·0	187·7
December	203·5	219·9	187·4
1950—January	203·8	217·2	187·7

TABLE 15

COST OF LIVING INDEXES

(1935-39=100)

Monthly Averages	Canada		United States	
	Total	Food	Total	Food
1939	101·5	100·6	99·4	95·2
1940	105·6	105·6	100·2	96·6
1941	111·7	116·1	105·2	105·5
1942	117·0	127·2	116·5	123·9
1943	118·4	130·7	123·6	138·0
1944	118·9	131·3	125·5	136·1
1945	119·5	133·0	128·4	139·1
1946	123·6	140·4	139·3	159·6
1947	135·5	159·5	159·2	193·8
1948	155·0	195·5	171·2	210·2
1949—January	159·6	202·2	170·9	204·8
February	159·5	200·4	169·0	199·7
March	159·2	199·1	169·5	201·6
April	159·3	198·5	169·7	202·8
May	159·5	199·5	169·2	202·4
June	160·5	202·9	169·6	204·3
July	162·1	207·2	168·5	201·7
August	162·8	209·2	168·8	202·6
September	162·3	207·0	169·6	204·2
October	162·2	205·0	168·5	200·6
November	161·7	203·3	168·6	200·8
December	161·5	201·9	167·5	197·3
1950—January	161·0	199·4	166·9	196·0



PART II

REVIEW OF GOVERNMENT ACCOUNTS 1949–50

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PART II

REVIEW OF GOVERNMENT ACCOUNTS 1949-50

1. Introduction

1. The figures appearing in this part must be regarded as necessarily preliminary and subject to revision. Although the Government's fiscal year ends on March 31, the books must remain open for several weeks after that date in order to record various adjusting entries, as well as all payments up to April 30 made on account of expenditures originating in, and properly chargeable to, the current fiscal year. For these reasons final figures for the current year will not be available for some considerable time.

2. SUMMARY OF GOVERNMENTAL FINANCIAL OPERATIONS DURING THE YEAR

2. Total revenues of the Government for the year ending March 31, 1950, are now estimated at $2,548 million. Expenditures, on the other hand, are estimated at $2,437 million. On the basis of these figures it would appear that the Government's accounting or budgetary surplus for the current year will probably total something in the neighbourhood of $111 million compared with $595·5 million for the year ended March 31, 1949. As a result of the current year's estimated surplus of $111 million, the Government's net debt (i.e. the excess of total liabilities over total active assets) will reflect a reduction of an equivalent amount.

3. In addition to collecting revenues and making expenditures in the narrow accounting or budgetary sense of those terms, the Government also receives and disburses substantial amounts of cash in other ways. These other receipts and disbursements relate to transactions which give rise to increases or decreases in the Government's assets and liabilities, and they do not, therefore, appear in what might be called the Government's income account for the year, nor do they enter into the calculation of the Government's annual surplus or deficit. In 1949-50 the total of these other disbursements exceeded the total of other receipts, and a large part of the cash provided by the 1949-50 surplus had to be used to finance the difference. The balance of cash available for the reduction of funded debt was, therefore, considerably reduced.

4. The following summary shows the nature and extent of these non-income account transactions and their effect upon the Government's net cash position. The figures indicate that although a total cash sum of $287 million became available to the Government as a result of the current year's budgetary surplus, this was reduced to an over-all "cash surplus" of only $67 million after financing the large cash requirements on non-income account.

	(millions)		
Net cash balance arising from the current year's budgetary surplus (i.e., budgetary surplus of $111 million adjusted for non-cash items)*.			$287
Add other receipts—			
Increases in annuity, pension, insurance and guaranty accounts.....		$ 99	
Increases in floating debt, deposit and trust accounts, deferred credits and sundry suspense accounts.....		71	
Repayments of loans—			
By Canadian National Railways.....	$20		
By provincial and municipal governments.....	4		
By Crown agencies and others.....	6		
	30		200
			$487

Deduct other disbursements—		
Advances to the Foreign Exchange Control Board	160	
Loans to the United Kingdom and other governments (net)	104	
Loans to Central Mortgage and Housing Corporation	100	
Loans to the National Harbours Board	20	
Increases in other loans and investments (net)	25	
Acquisition of sinking funds	1	
Increases in Canada's subscriptions to the capital of the International Monetary Fund and of the International Bank for Reconstruction and Development	3	
Cost of loan flotations (portion to be amortized)	7	
		420
Cash surplus—i.e., balance available for debt reduction		$ 67

5. As shown above the total of other receipts during the year amounted to $200 million, while the total of other disbursements amounted to no less than $420 million. The Government nevertheless reduced its outstanding funded debt by a net cash amount of $486 million. This reduction in funded debt was made possible through the sale of bonds out of the Securities Investment Account. This account is the one used to record temporary holdings by the Government of its own securities, such securities being held as a temporary investment of surplus cash balances.

6. A reconciliation between the "cash surplus" of $67 million, the net cash reduction in funded debt of $486 million and the net change in the Government's cash position during the year, is shown below:

	(millions)
Cash surplus—i.e. excess of total receipts from all sources over total disbursements	$ 67
Add—net sales of securities from Securities Investment Account	430
	$497
Deduct—net cash reduction in funded debt	$486
Net increase in cash balances during the year (i.e. balance sheet increase of $13 million less $2 million of an increase effected through revaluation of currencies)	$ 11

* To calculate the amount of cash made available to the Government as a result of the current year's surplus there must be added back to the accounting or budgetary surplus figure of $111 million the following items included in total expenditure which did not involve current outlays of cash: provision for possible losses on ultimate realization of active assets, $75 million; provision for conditional benefits under The Veterans' Land Act, $7 million; the annual amortization of bond discounts and commissions, $10 million; assumption of part of Newfoundland's debt in accordance with Terms of Union, $62 million (after deducting sinking fund); and adjustments in various assets and liabilities consequent upon the revaluation of currencies on September 19, 1949, $22 million.

3. SUMMARY OF THE 1949-50 REVENUE AND EXPENDITURE STATEMENT

7. The table which follows gives a summarized statement of revenues and expenditures for the year ended March 31, 1950, with comparable figures for the four preceding fiscal years. More detailed tables, in comparative form, may be found at the end of this Appendix.

The Budget—Appendix

SUMMARY OF REVENUES AND EXPENDITURES

(In millions of dollars)

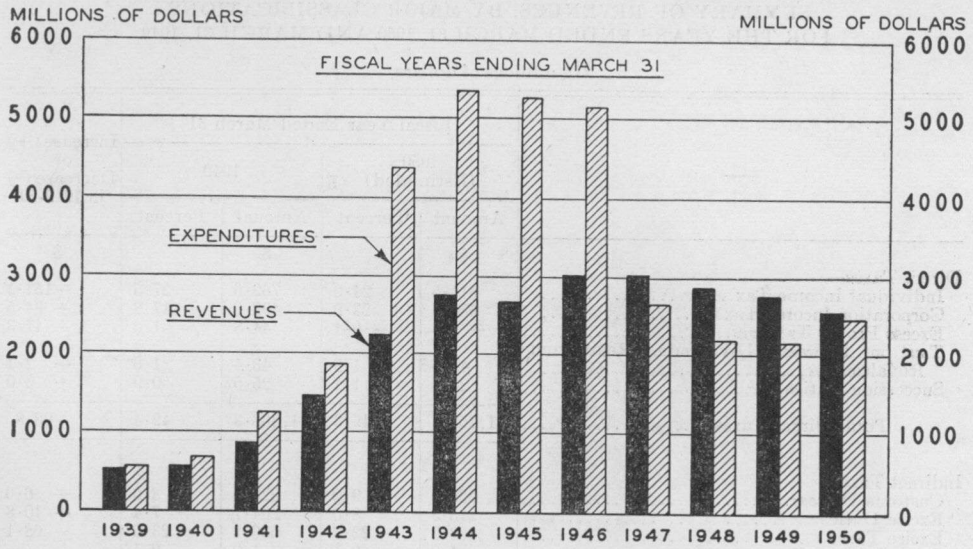
—	Fiscal Year Ended March 31				
	1946	1947	1948	1949	Estimated 1950
	$	$	$	$	$
Revenues					
Ordinary revenues	2,363·2	2,588·5	2,629·8	2,649·1	2,489·0
Capital refunds	0·4	0·1	0·1	0·1	.....
Special receipts and other credits	649·6	419·3	241·8	122·2	59·6
Total Revenues	3,013·2	3,007·9	2,871·7	2,771·4	2,548·6
Expenditures					
Ordinary expenditures	1,061·9	1,236·2	1,380·0	1,573·4	1,712·2
Capital expenditures	4·5	11·2	15·7	18·5	24·2
War, demobilization and reconversion expenditures	4,002·9	1,314·8	634·4	425·6	464·1
Special expenditures	17·4	31·9	63·1	34·8	40·8
Government-owned enterprises	1·3	10·7	18·7	39·7	52·3
Other charges, including the write down of assets	48·2	29·4	83·7	83·9	143·9
Total Expenditures	5,136·2	2,634·2	2,195·6	2,175·9	2,437·5
Budgetary Surplus or Deficit (−)	−2,123·0	373·7	676·1	595·5	111·1

8. Total revenues, estimated at $2,548 million for 1949-50, are expected to show a decrease of $223 million from the total for the previous fiscal year. Total expenditures, on the other hand, are estimated at $2,438 million, an increase of $262 million over the total for 1948-49.

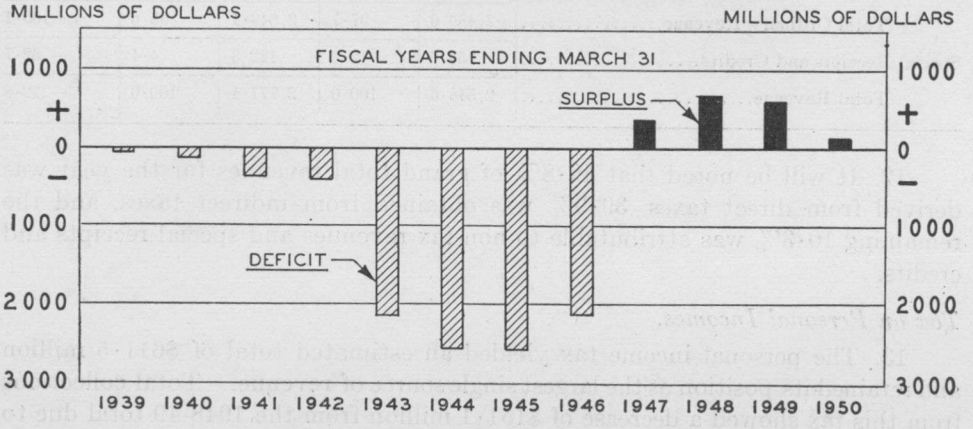
9. Ordinary revenues are estimated at $2,489 million, a reduction of $160 million from the total for the previous year. The total of $60 million for special receipts and credits represents a decrease of $62 million from the total of $122 million received in 1948-49. The reduction in these receipts, which consists largely of refunds of previous years' war, demobilization and reconversion expenditures and sales of surplus Crown assets, continues to reflect the normal decline which is to be expected in revenues from this source.

10. On the expenditure side, all categories contributed to the over-all increase of $262 million. The total of ordinary expenditures increased by $139 million (from $1,573 million in 1948-49 to $1,712 million in 1949-50) and was attributable largely to increases of $26·7 million in family allowances, $27·2 million in old age pensions and pensions to blind persons and $21·9 million in premium, discount and exchange expenditures. The total for demobilization and reconversion expenditures, more than half of which represents defence costs, increased by $38 million (from $426 million in 1948-49 to $464 million in the current year). Other charges, including the write-down of assets, reflect an increase of $60 million from $84 million in 1948-49 to $144 million in 1949-50. The remainder is accounted for by increases of $6 million in capital expenditures, $13 million in government-owned enterprises, and $6 million in special expenditures.

BUDGETARY REVENUES AND EXPENDITURES



BUDGETARY SURPLUS OR DEFICIT



4. ANALYSIS OF REVENUES

11. Estimated revenues for the year 1949-50, classified according to major categories, are presented in the following table, along with corresponding figures for the previous fiscal year.

SUMMARY OF REVENUES, BY MAJOR CLASSIFICATIONS, FOR THE YEARS ENDED MARCH 31, 1950 AND MARCH 31, 1949

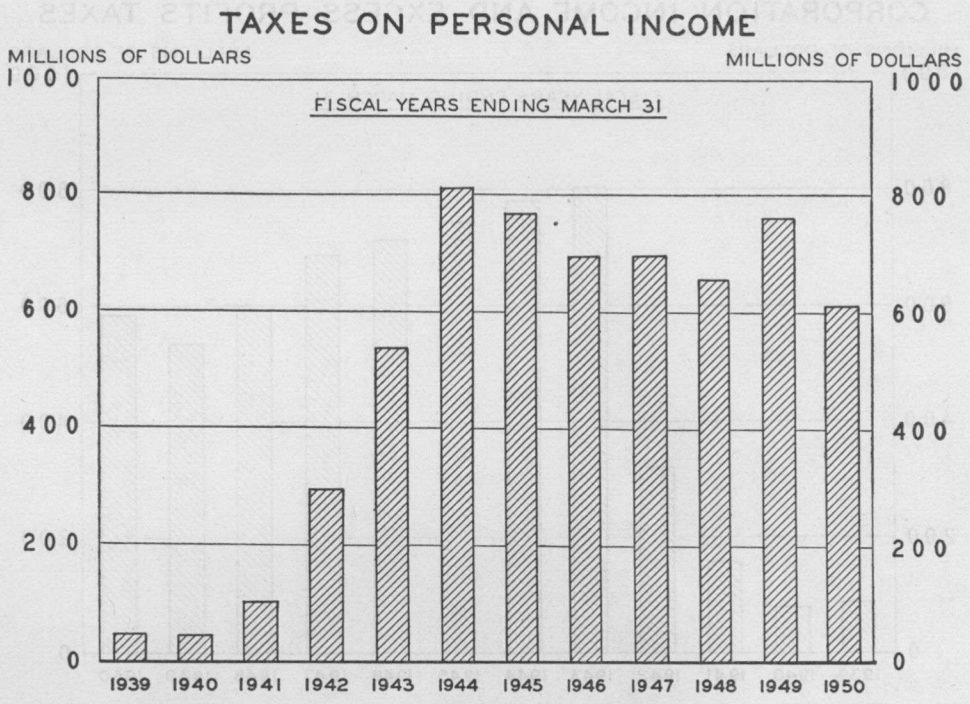
(In millions of dollars)

—	Fiscal Year Ended March 31				Increase (+) or Decrease (-) in 1949-50
	1950 (Estimated)		1949		
	Amount	Percent	Amount	Percent	
	$		$		$
Direct Taxes—					
Individual Income Tax	611·5	24·0	762·6	27·5	−151·1
Corporation Income Tax	586·5	23·0	492·0	17·8	+ 94·5
Excess Profits Taxes	− 2·5	− 0·1	44·8	1·6	− 47·3
Tax on Interest, Dividends, Rents and Royalties	45·5	1·8	43·4	1·6	+ 2·1
Succession Duties	28·5	1·1	25·5	0·9	+ 3·0
Total Direct Taxes	1,269·5	49·8	1,368·3	49·4	−98·8
Indirect Taxes—					
Customs Duties	229·0	9·0	223·0	8·0	+ 6·0
Excise Duties	215·5	8·5	204·7	7·4	+ 10·8
Excise Taxes	568·0	22·3	636·1	23·0	− 68·1
Other Indirect Taxes	4·0	0·1	4·0	0·1	—
Total Indirect Taxes	1,016·5	39·9	1,067·8	38·5	− 51·3
Non-Tax Revenue—					
Post Office	84·0	3·3	80·6	2·9	+ 3·4
Return on Investments	90·4	3·6	107·9	3·9	− 17·5
Other Non-Tax Revenue	28·6	1·1	24·5	0·9	+ 4·1
Total Non-Tax Revenue	203·0	8·0	213·0	7·7	− 10·0
Total Ordinary Revenue	2,489·0	97·7	2,649·1	95·6	−160·1
Special Receipts and Credits	59·6	2·3	122·3	4·4	− 62·7
Total Revenue	2,548·6	100·0	2,771·4	100·0	−222·8

12. It will be noted that 49·8% of grand total revenues for the year was derived from direct taxes, 39·9% was obtained from indirect taxes, and the remaining 10·3% was attributable to non-tax revenues and special receipts and credits.

Tax on Personal Incomes.

13. The personal income tax yielded an estimated total of $611·5 million and retained its position as the largest single source of revenue. Total collections from this tax showed a decrease of $151·1 million from the 1948-49 total due to the reduction in tax rates announced in March, 1949, effective from January 1, 1949. The full effect of this reduction in rates was not apparent in 1949-50, because of substantial payments received during the fiscal year in respect of 1948 and previous taxation years, and also because tax deductions at the source continued for a period at the higher rates.

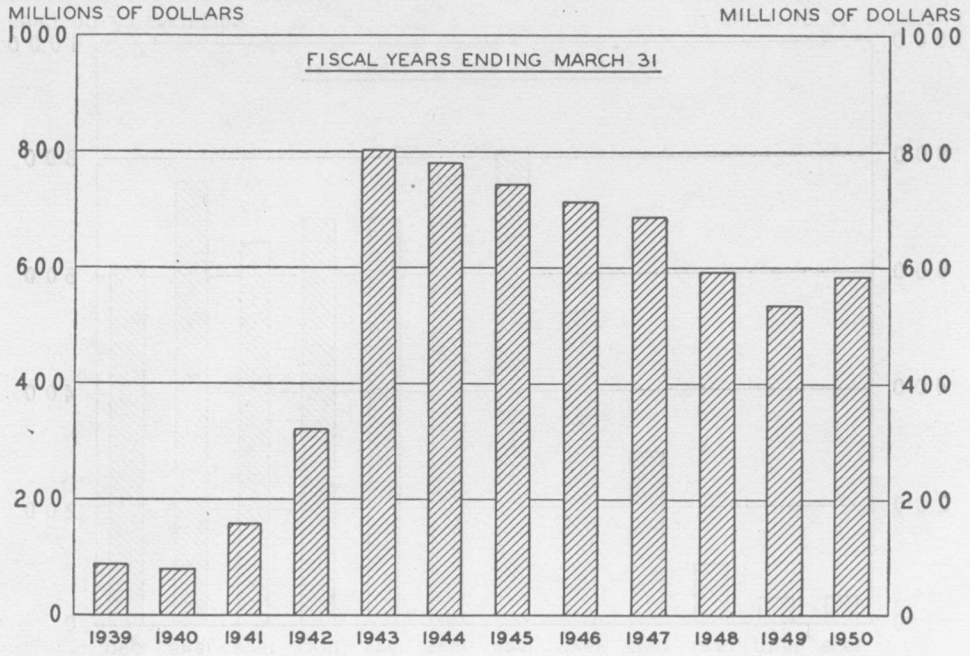


Corporation Income and Excess Profits Taxes.

14. Corporation income taxes yielded a total of $586·5 million, an increase of $94·5 million over the previous year's total. This increase is attributable to the decline during the year in tax refunds and adjustments in connection with the re-negotiation of war contracts, and apparently to somewhat higher profits in 1949.

The excess profits tax ceased to be levied on profits earned after December 31, 1947. Small clean-up payments were received during the year but were exceeded by refunds and adjustments.

CORPORATION INCOME AND EXCESS PROFITS TAXES



Taxes on Interest, Dividends, Rents and Royalties.

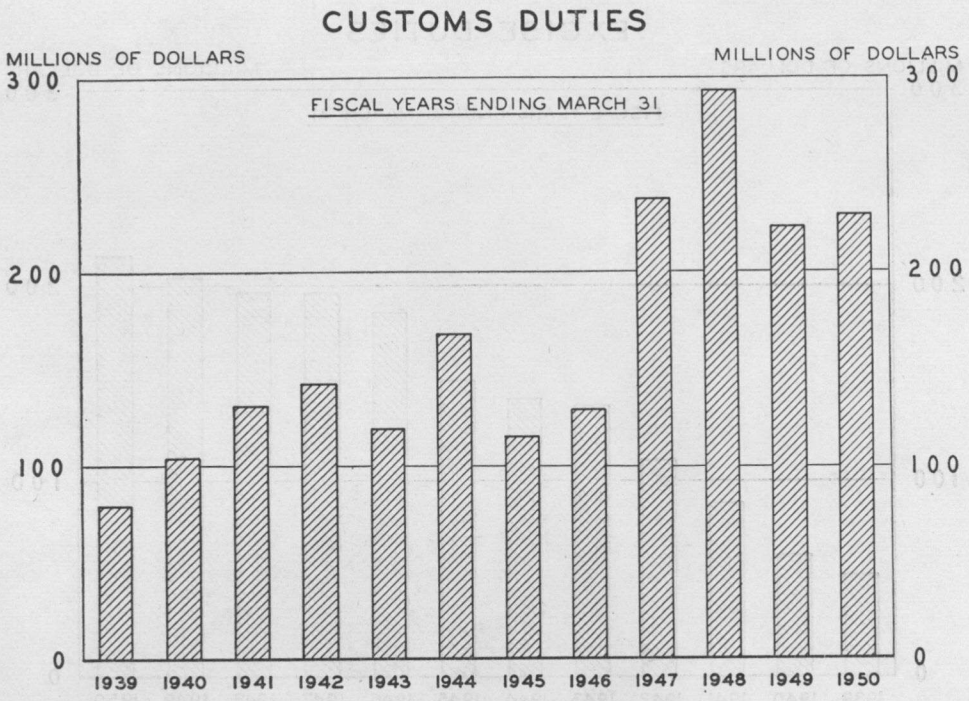
15. Revenues under this heading come from withholding taxes on certain payments made to non-residents. The 1949-50 total of $45·5 million is approximately $2·1 million greater than for the previous year, an increase largely due to a higher level of dividend payments during 1949.

Succession Duties.

16. Revenue from succession duties is estimated at $28·5 million for 1949-50. This is an increase of $3·0 million over the previous year's total.

Customs Duties.

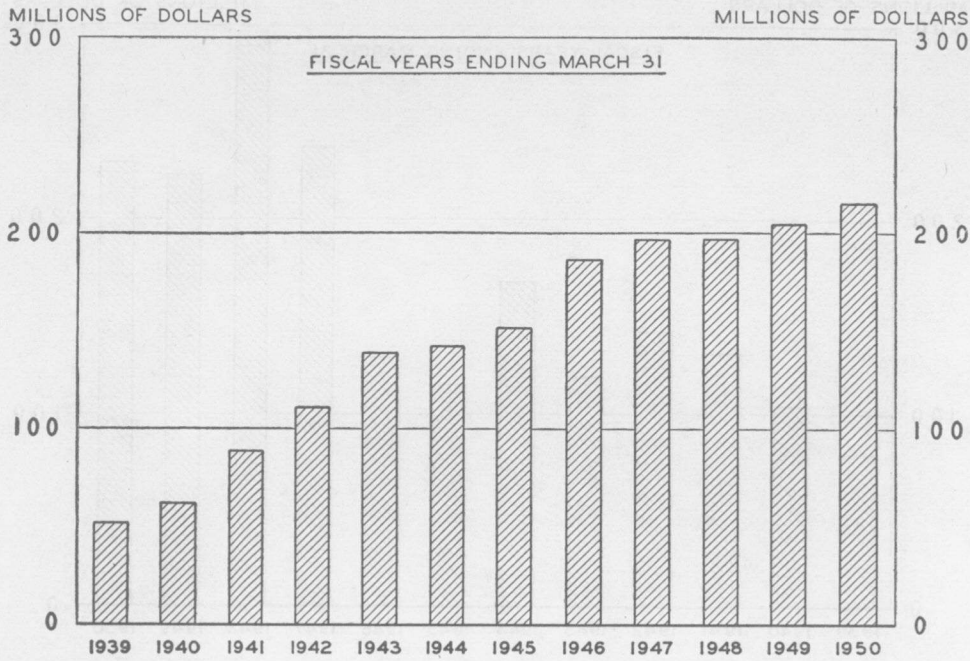
17. Net revenues from customs duties for the current year are estimated at $229·0 million, representing a moderate increase of $6·0 million over the 1948-49 total.



Excise Duties.

18. Excise duties are levied exclusively on alcoholic beverages and tobacco products. In 1949-50 they yielded an estimated total revenue of $215·5 million, an increase of approximately $10·8 million over the previous year. Gross receipts from these duties, before deducting refunds, are divided as follows: $104·5 million from alcoholic beverages ($101·1 million in 1948-49), and $114·0 million from tobacco products ($106·2 million in 1948-49).

EXCISE DUTIES



Excise Taxes.

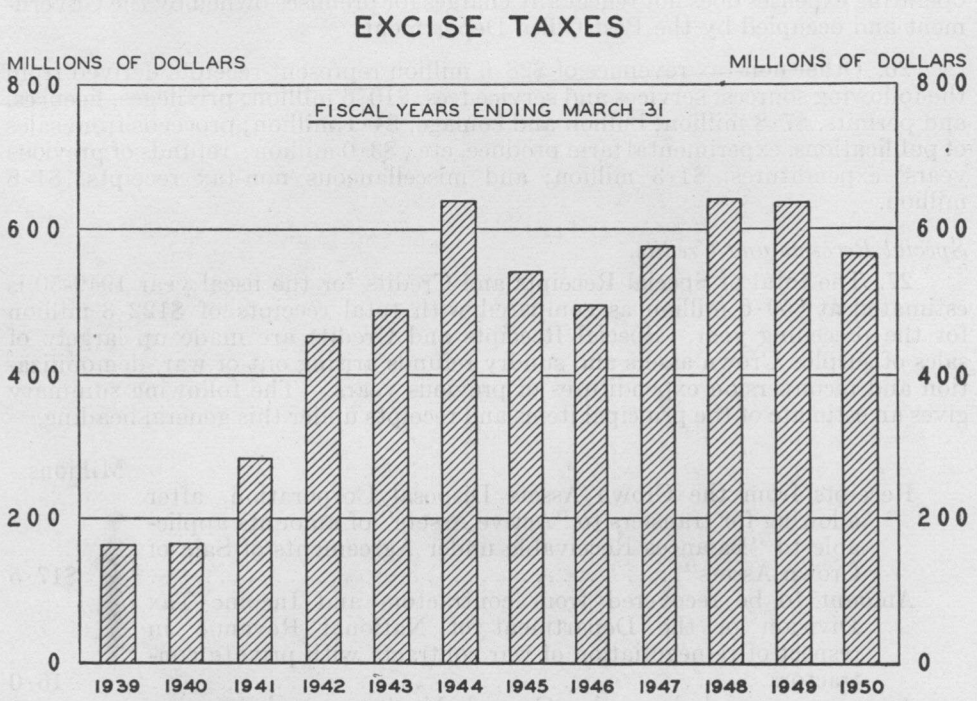
19. Excise taxes are levied on a variety of items under the Excise Tax Act. Total net collections for the year are estimated at $568·0 million, a reduction of about $68·1 million from 1948-49. The most important of these taxes in terms of revenue is the sales tax, which yielded a gross revenue of $415·5 million, an increase of $25·3 million over the previous year. This increase took place despite the fact that during the year fuel oils were added to the list of exempt items.

20. The second largest revenue source among the excise taxes is the tax on tobacco products which yielded approximately $83·4 million. This is an increase of 7·3% over the previous year's total reflecting the continued upward trend in tobacco consumption. Other tax sources showing small amounts of increase during the year were cigarette papers and tubes ($71,000) and wines ($110,000).

21. Despite these increases the over-all yield from excise taxes was reduced from the preceding year by the elimination, or reduction in rates, of taxes on a number of commodities and services. The taxes on beverages, candy and chewing gum, transportation tickets and communications were all repealed on March 22, 1949, and only yielded clean-up amounts during the year. The taxes on toilet articles, luggage, matches and lighters, smokers' supplies, and pens and pencils, were all reduced to 10% on March 22, 1949, and as a result yielded sharply reduced revenue during the year. The change of the retail purchase tax to a 10% tax at the manufacturer's level resulted in a lower yield from this source. The revenue from the tax on automobiles and rubber tires and tubes also showed a decline from the previous year. This occurred because the revenue from this source in the previous year reflected in part the temporary high tax rates imposed on automobiles up until the end of July, 1948, as part of the exchange conservation program.

22. The tax sources showing the largest decrease, and the amount of the decrease in each case, are given below:

	Estimated decrease from 1948-49
Beverages	$26,059,000
Transportation and communications	25,084,000
Candy and chewing gum	18,868,000
Toilet preparations and soaps	3,337,000
Trunks, bags, luggage, etc.	3,275,000
Automobiles, rubber tires and tubes	2,743,000
Matches and lighters	2,332,000



Other Indirect Taxes.

23. Small amounts of tax revenue were derived from the tax on chartered bank note circulation; from the tax on the net premium income of insurance companies; from a tax on the export of electric energy from Canada; and from a tax on the export of furs from the Northwest Territories. Total revenue from all these sources in 1949-50 is estimated at $4·0 million, about the same as the previous year.

Non-Tax Revenues.

24. Non-tax revenues for 1949-50 are estimated at $203·0 million, a decrease of $10 million from the 1948-49 total. Revenue classified as "Return on Investments", is expected to reach $90·4 million in 1949-50 as compared with a total of $107·9 million in 1948-49. The larger items entering into total receipts under this classification are: interest on advances to the Canadian National

Railways, $21·8 million; Bank of Canada profits, $20·4 million; interest on loans to, and operating profits of, the Foreign Exchange Control Board, $16·0 million; interest on bonds held in Securities Investment Account, $5·6 million; interest on loans to foreign governments under part II of The Export Credits Insurance Act, $15·0 million; and interest on advances under the Soldier Settlement and Veterans' Land Act, $3·5 million.

25. Also included in the general category of non-tax revenues are post office receipts, which are estimated at $84·0 million for 1949-50 as compared with a total of $80·6 million during 1948-49. It may be of interest to note that the total costs of operating the Post Office Department during the year are estimated at $83·1 million, so that receipts on this account exceeded costs by approximately $0·9 million. In making this comparison, however, it should be borne in mind that the total shown for Post Office receipts does not reflect the value of services rendered free of charge to other departments. Similarly the total shown for operating expenses does not reflect any charges for premises owned by the Government and occupied by the Post Office Department.

26. Other non-tax revenues of $28·6 million represent receipts derived from the following sources: services and service fees, $10·6 million; privileges, licences, and permits, $7·8 million; bullion and coinage, $4·1 million; proceeds from sales of publications, experimental farm produce, etc., $3·0 million; refunds of previous years' expenditures, $1·3 million; and miscellaneous non-tax receipts, $1·8 million.

Special Receipts and Credits.

27. The total of Special Receipts and Credits for the fiscal year 1949-50 is estimated at $59·6 million as compared with total receipts of $122·3 million for the preceding year. Special Receipts and Credits are made up largely of sales of surplus Crown assets and sundry refunds arising out of war, demobilization and reconversion expenditures of previous years. The following summary gives an estimate of the principal items and receipts under this general heading,—

	Millions
Receipts from the Crown Assets Disposal Corporation, after allowing for transfers to "Active Assets" of amounts applicable to "Balances Receivable under Agreements of Sale of Crown Assets"	$17·5
Amount to be recovered from contractors and Income Tax Division of the Department of National Revenue in respect of re-negotiation of war contracts with private contractors	16·0
Amount received from the Central Mortgage and Housing Corporation representing a sum in excess of the $5 million reserve fund established by the Company	6·5
Payments by foreign governments in settlement of military relief supplies	8·7
Amount to be credited to revenue in connection with Park Steamship Company Limited vessels chartered by the United Kingdom Government	2·7
Estimated surplus of the Canadian Arsenals Limited	2·0
Rental of land and buildings, revenue from meals and quarters and sundry receipts received by the Department of National Defence	3·3
Miscellaneous receipts, sundry departments	2·9
	$ 59·6

5. COMPARISON OF ACTUAL REVENUE WITH BUDGET FORECAST

28. The total revenues now estimated for the year 1949-50 will be only $3·6 million more than the revised forecast of revenues made in the budget speech of October 20, 1949. The revenues from sales tax, personal income tax and corporation income tax proved more buoyant than expected last March. By October it was possible to make a more accurate estimate and the revenues actually received during the year from all sources are quite close to the forecast made at that time.

DETAILED STATEMENT OF BUDGET FORECAST COMPARED WITH ACTUAL REVENUE FOR 1949–50

(in millions of dollars)

Source of Revenue	Budget Forecast of Revenue (Oct. 20, 1949)	Actual Revenue (Estimated)	Increase (+) or Decrease (−) in Revenue as Compared with Budget Forecast
Customs import duties	235·0	229·0	−6·0
Excise duties	215·0	215·5	+0·5
Sales tax (net)	406·0	404·1	−1·9
Other excise taxes	168·0	163·9	−4·1
Personal income tax	603·0	611·5	+8·5
Corporation income tax	588·0	586·5	−1·5
Interest, dividends, rents, royalties	48·0	45·5	−2·5
Excess profits tax	.....	− 2·5	−2·5
Succession duties	26·0	28·5	+2·5
Miscellaneous taxes	4·0	4·0	
Total tax revenue	2,293·0	2,286·0	−7·0
Non-tax revenue	202·0	203·0	+1·0
Total ordinary revenue	2,495·0	2,489·0	−6·0
Special receipts	50·0	59·6	+9·6
Total revenue	2,545·0	2,548·6	+3·6

6. ANALYSIS OF EXPENDITURES

29. The table which follows presents a summary of expenditures, by major classifications, for the fiscal year 1949-50, together with corresponding figures for the previous fiscal year.

SUMMARY OF EXPENDITURES, BY MAJOR CLASSIFICATIONS, FOR THE YEARS ENDED MARCH 31, 1950, AND MARCH 31, 1949

(in millions of dollars)

——	Fiscal Year Ended March 31				Increase or Decrease (−)
	1950 (Estimated)		1949		
	Amount	Per Cent	Amount	Per Cent	
ORDINARY EXPENDITURE—					
Public Debt Charges—					
Interest on Public Debt	439·2	18·0	465·1	21·4	−25·9
Other Debt Charges	10·5	0·4	9·7	0·4	0·8
	449·7	*18·4*	*474·8*	*21·8*	*−25·1*
Subsidies and Compensation to Provinces under Tax Agreements (including Transitional Grant to Newfoundland)	103·9	4·3	101·4	4·7	2·5
Family Allowances	297·6	12·2	270·9	12·5	26·7
Old Age Pensions and Pensions to Blind Persons	94·0	3·9	66·8	3·1	27·2
Unemployment Insurance Act—					
Administration and Government's Contribution	46·5	1·9	39·1	1·8	7·4
Premium, Discount and Exchange	22·0	0·9	0·1	.....	21·9
Agriculture	25·0	1·0	20·4	0·9	4·6
Citizenship and Immigration	18·3	0·8	.....	.....	18·3
Mines and Resources	.....	.....	46·3	2·1	−46·3
Mines and Technical Surveys	22·9	0·9	.....	.....	22·9
National Revenue	51·0	2·1	49·3	2·3	1·7
Post Office	83·1	3·4	77·6	3·6	5·5
Public Works	66·8	2·7	50·6	2·3	16·2
Resources and Development	26·1	1·1	.....	.....	26·1
Trade and Commerce	36·3	1·5	26·9	1·2	9·4
Transport	54·7	2·2	41·5	1·9	13·2
Veterans Affairs	175·2	7·2	183·0	8·4	− 7·8
Other Departments	139·1	5·7	124·8	5·7	14·3
Total Ordinary Expenditure	1,712·2	70·2	1,573·4	72·3	138·8
CAPITAL EXPENDITURE	24·2	1·0	18·5	0·8	5·7
DEMOBILIZATION AND RECONVERSION EXPENDITURE—					
National Defence (Army, Navy and Air Services and Defence Research)	364·5	14·9	254·9	11·7	109·6
Veterans Affairs	52·8	2·2	87·3	4·0	−34·5
Wartime Prices and Trade Board (including subsidies, drawback claims of millers, and administrative costs)	4·0	0·2	29·2	1·3	−25·2
Agriculture	22·5	0·9	23·2	1·1	− 0·7
Trade and Commerce	6·5	0·3	13·8	0·6	− 7·3
Other Departments	13·8	0·6	17·2	0·8	− 3·4
Total Demobilization and Reconversion Expenditure	464·1	19·1	425·6	19·6	38·5
SPECIAL EXPENDITURE	40·8	1·7	34·8	1·6	6·0
GOVERNMENT OWNED ENTERPRISES	52·3	2·1	39·7	1·8	12·6
OTHER CHARGES	143·9	5·9	83·9	3·9	60·0
GRAND TOTAL EXPENDITURE	2,437·5	100·0	2,175·9	100·0	261·6

Ordinary Expenditures

Debt Charges

30. Interest on public debt was again the largest single item of government expenditure, the estimated total of $439·2 million for 1949-50 being 18% of the total expenditure for the year. Of the total interest payments, $408 million represents interest paid on the government's outstanding funded debt, while the balance of $31·2 million represents interest paid or credited to various annuity, superannuation, insurance and trust accounts. The substantial decrease of $25·9 million from 1948-49 is attributable in part to a reduction in the outstanding funded debt and in part to the absence of any payment during 1949-50 comparable to that in 1948-49 for the accumulated interest on the 1943 and 1944 refundable portion of personal income taxes, which were repaid in March, 1949. The reduction of $10·8 million in the payment of interest on the outstanding funded debt, and of $19·1 million on the payment of interest on the refundable portion of personal income taxes, was partially offset by an increase of $4 million in interest paid or credited to the various annuity, superannuation, insurance and trust funds.

31. The annual charges for the amortization of discounts and commissions, for other costs of new loan flotations which are not amortized, and for miscellaneous debt servicing expenses bring the total of all public debt charges for the year to $449·7 million.

Payments to Provinces

32. Payments to provinces for statutory subsidies and compensation under the Dominion-Provincial Tax Rental Agreements amounted to $103·9 million. The net increase of $2·5 million over the total for the previous year is explained in the following table.

	Fiscal Year Ended March 31		Increase or Decrease (−)
	1950 (Estimated)	1949	
	(millions of dollars)		
All Provinces (excluding Newfoundland)—			
Statutory subsidies	17·3	17·1	0·2
Compensation under tax rental agreements	73·4	84·3	−10·9
	90·7	*101·4*	*−10·7*
Newfoundland—			
Statutory subsidy	1·9	—	1·9
Compensation under tax rental agreement	4·8	—	4·8
Transitional grant	6·5	—	6·5
	13·2	—	*13·2*
	103·9	101·4	2·5

A reduction of $20·2 million, equivalent to the amount which it is anticipated that the Government will have paid during the year to the seven provinces participating in the 1947 tax rental agreements on account of collections of the provincial 5% corporation taxes, offset by a general increase of $9·3 million in basic payments, accounts for the net decrease of $10·9 million in tax compensation payments.

Details of payments, by provinces, for the current fiscal year are:

—	Statutory Subsidies	Compensation under the Dominion-Provincial Tax Rental Agreements	Transitional Grant	Total
	(millions of dollars)			
Newfoundland	1·9	4·8	6·5	13·2
Nova Scotia	2·0	9·8	—	11·8
Prince Edward Island	0·7	1·8	—	2·5
New Brunswick	1·6	7·6	—	9·2
Quebec	2·9	—	—	2·9
Ontario	3·1	—	—	3·1
Manitoba	1·8	11·0	—	12·8
Saskatchewan	2·1	12·6	—	14·7
Alberta	2·1	12·3	—	14·4
British Columbia	1·0	18·3	—	19·3
	19·2	78·2	6·5	103·9

Family Allowances, Old Age Pensions and Pensions to Blind Persons

33. Payments for family allowances are estimated at $297·6 million for 1949-50, representing approximately 12·2 per cent of the total expenditures for the year. Part of the estimated increase of $26·7 million over the preceding year is attributable to the payment of $9·8 million to residents of Newfoundland. Elimination of the reduction in allowances payable for children after the fourth child, the reduction in the period of residence in Canada required for immigrants and settlers to one year prior to registration, and the natural increase in population in the eligible age groups, account for the remainder of the increase.

34. Expenditures for old age pensions and pensions to blind persons are expected to total $94 million, an increase of approximately $27·2 million over the total for 1948-49. Of the total increase, $2·2 million is attributable to payments to residents of Newfoundland; the remainder is due to an increase from $30 to $40 per month in the basic rate of pension provided in legislation enacted in April, 1949, and to an increase in the numbers receiving aid.

35. The estimated distribution of these payments, by provinces, is as follows:

—	Family Allowances	Old Age Pensions and Pensions to Blind Persons
	(millions of dollars)	
Newfoundland	9·8	2·2
Nova Scotia	15·3	6·4
Prince Edward Island	2·4	0·9
New Brunswick	13·4	5·5
Quebec	95·9	23·7
Ontario	84·9	29·1
Manitoba	15·7	5·8
Saskatchewan	19·0	5·6
Alberta	19·8	5·4
British Columbia	20·8	9·4
Northwest and Yukon Territories	0·6	—
	297·6	94·0

Premium, Discount and Exchange

36. The revaluation of the Canadian dollar on September 19, 1949 is chiefly responsible for the increase of $21·9 million in premium, discount and exchange expenditures. Assets and liabilities payable in sterling and United States dollars, previously carried on the balance sheet of Canada at £1 sterling = $4·03 Canadian and $1 U.S. = $1 Canadian, were revalued as of that date to £1 sterling = $3·08 Canadian and $1 U.S. = $1·10 Canadian. An increase of $35·7 million in net indebtedness payable in United States dollars (consisting of an exchange debit of $39·9 million on matured and unmatured funded debt and outstanding interest, less a credit of $4·2 million on cash and securities held in New York) was offset by a decrease of $14·4 million in net indebtedness payable in sterling (consisting of an exchange credit of $19·4 million on matured and unmatured funded debt and outstanding interest, less a debit of $5·0 million on cash and securities held in London).

Citizenship and Immigration
Mines and Technical Surveys
Resources and Development

37. During the year the functions and services of the Department of Mines and Resources and the Department of Reconstruction and Supply were transferred to the newly created Departments of Citizenship and Immigration, Mines and Technical Surveys and Resources and Development. The administration of Indian Affairs and Immigration Services was transferred from the Department of Mines and Resources to the Department of Citizenship and Immigration, which also took over the citizenship and citizen registration services which formerly came under the Secretary of State. The administration of mines, and topographic, geological, hydrographic and geodetic surveys and certain other technical services, including the operation of the Dominion observatories, was transferred from the Department of Mines and Resources to the Department of Mines and Technical Surveys. The Department of Resources and Development took over the forests, water resources, wild life, national parks and other services, including the administration of the Northwest and Yukon Territories, from the Department of Mines and Resources and the housing and planning and development services, and the administration of the Canadian Government Travel Bureau and the National Film Board from the Department of Reconstruction and Supply.

38. To compare satisfactorily the expenditures on these services as between the years 1948-49 and 1949-50, it is necessary to consider the expenditures of these departments together. The following table is a comparative summary of the expenditures for the last two years:

—	Fiscal Year ended March 31	
	1950 (Estimated)	1949
	(millions of dollars)	
Mines and Resources	—	46·3
Reconstruction and Supply	—	3·4
Secretary of State (Citizenship and Citizen Registration Branches)	—	0·2
Citizenship and Immigration	18·3	—
Mines and Technical Surveys	22·9	—
Resources and Development	26·1	—
	67·3	49·9

The net increase of $17·4 million is accounted for in part by increases in payments under the Emergency Gold Mining Assistance Act, and in part by an extension of services and a general increase in service costs.

Public Works

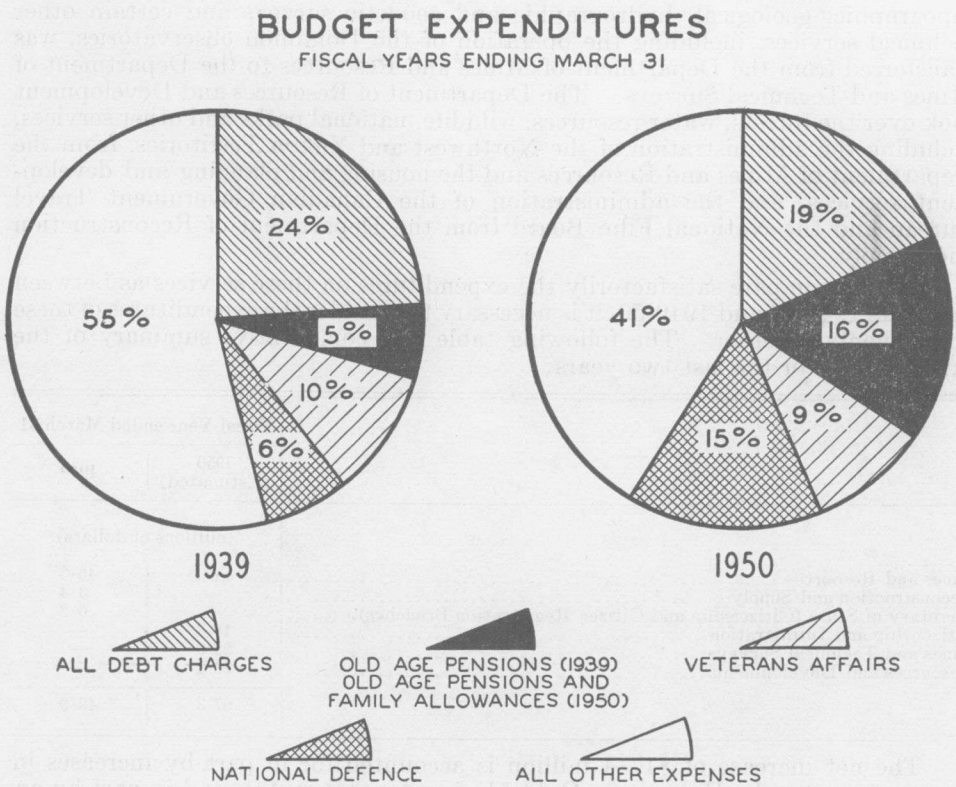
39. Public Works expenditures still reflect the policy in effect during recent years of deliberately deferring, wherever possible, all expenditures on new construction and equipment. There was however an increase of approximately $16·2 million over the total for the preceding year, accounted for by a general increase in operational, maintenance and repair costs for public works and buildings and in the costs of dredging and improving harbours and rivers.

Transport

40. A general expansion of Air Services, with expenditures of $24·1 million in 1949-50 as compared with the total of $15·9 million in the previous year, accounts for the major part of the increase of $13·2 million in the expenditures of the Department of Transport. The remainder is attributable largely to a general increase in the costs of departmental services.

Veterans Affairs

41. The ordinary expenditures of the Department of Veterans Affairs for 1949-50 are estimated at $175·2 million, a decrease of $7·8 million as compared with the total for the previous year. The greater part of this decrease is attributable to a reduction in payments of pensions to veterans.



CAPITAL EXPENDITURES.

42. Expenditures charged to capital account are estimated at $24·2 million for the fiscal year as compared with a total of $18·5 million for 1948-49. The principal items in this category are the costs of constructing and improving civil airways and airports, the costs of dredging the St. Lawrence ship channel, and expenditures for construction and improvement of terminal facilities for the Prince Edward Island Car Ferry and Terminals.

DEMOBILIZATION AND RECONVERSION EXPENDITURES.

43. Demobilization and Reconversion expenditures for 1949-50 are estimated at $464·1 million, an increase of $38·5 million as compared with the total of $425·6 million for the previous year. An increase of $109·6 million in the expenditures of the Department of National Defence for Army, Navy and Air Services and for Defence Research was offset by decreases of $34·5 million for the Department of Veterans Affairs, $25·2 million for Wartime Prices and Trade Board, $7·3 million for the Department of Trade and Commerce, and a total of $4·1 million for other departments.

44. The greater part of the decrease in the demobilization and reconversion expenditures of the Department of Veterans Affairs is due to substantial reductions of $20 million in post-discharge rehabilitation benefit payments, and $13·3 million in payments of war service gratuities and re-establishment credits.

45. Of the estimated decrease of $25·2 million in the expenditures of the Wartime Prices and Trade Board, $14·9 million is accounted for by a decrease in the cost of subsidies, and $9·7 million by a reduction in the amount of payments of drawback claims to millers.

46. Reductions of $2·4 million in payment of production and transportation subsidies for Canadian steel producers, and of $2·6 million in the cost of administration, reconversion and operation of Crown companies and plants, account for the reduction in the demobilization and reconversion expenditure of the Department of Trade and Commerce.

SPECIAL EXPENDITURES.

47. Special expenditures are estimated at $40·8 million for the year, an increase of $6 million compared with the 1948-49 expenditures. Increases of $4·2 million under the Prairie Farm Assistance Act for the deficit of the Prairie Farm Emergency Fund and of $7·4 million in agricultural and other projects, are offset by a decrease of $5 million due to the grant in 1948-49 to British Columbia for emergency relief and rehabilitation in connection with the Fraser River flood disaster. The principal items making up the 1949-50 total of expenditures are: the deficit of the Prairie Farm Emergency Fund, $12·8 million; expenditures under the Prairie Farm Rehabilitation Act, $3 million; the net operating loss of the Agricultural Prices Support Account for 1948-49, in connection with the 1947 and 1948 Nova Scotia apple crops and the 1948 Ontario crop of white beans, $3·5 million; irrigation and water conservation projects in the prairie provinces, $7·1 million; the deficit of the Canadian Wheat Board for 1947 and 1948 flaxseed and 1948 rapeseed operations, etc., $4·6 million; and Canada's share of the cost of repairing and reconstructing dykes and other protection of works in the Fraser Valley, $4·1 million.

GOVERNMENT OWNED ENTERPRISES.

48. Expenditures under this heading consist of the operating deficits of, and non-active loans to, wholly owned governmental enterprises established prior to world war II.

49. The increase of $12·6 million in this category of expenditures as compared with the previous year is accounted for largely by an increase of $8·5 million in the deficit of the Canadian National Railways from $33·5 million for the calendar year 1948 to $42 million for the year 1949. The over-all C.N.R. deficit for the year includes all interest charges paid on government advances. It should be noted, therefore, that although the charges to the government's expenditures for 1949-50 reflect the absorption of the C.N.R.'s total deficit of $42 million, the government's revenues for the year also included, under "Return on Investments", an amount of $21·8 million received from the railways for interest on such advances.

50. Other charges under this classification include $4·3 million for the 1949 operating deficit of Trans-Canada Air Lines (as compared with the 1948 deficit of $2·9 million); $1·2 million for the 1949 operating deficit of the Prince Edward Island Car Ferry and Terminals ($1·2 million in 1948) and $4·3 million for losses of, and non-active loans to, the National Harbours Board ($2 million in 1948-49).

OTHER CHARGES, INCLUDING THE WRITE-DOWN OF ASSETS.

51. The total expenditures for the fiscal year in this category are estimated at $143·9 million, an increase of $60 million as compared with the total of $83·9 million for 1948-49. The increase is attributable to the non-recurring charge of $62·3 million in connection with the assumption by Canada of part of the Newfoundland debt in accordance with the Terms of Union.

52. The largest single item is again an amount of $75 million transferred to the general reserve for possible losses on ultimate realization of active assets. This reserve was established in 1940-41, and $25 million was set aside annually from that time up to and including the fiscal year 1946-47. In 1947-48, 1948-49 and again this year, the annual provision has been $75 million—the larger provision being deemed advisable to offset the charges that have been made to the reserve during recent years and to establish the reserve at a level commensurate with the government's active assets. The reserve now stands at $320·8 million.

53. Also included under this classification is the reserve provision of $6·6 million for conditional benefits under the Veterans' Land Act.

7. ESTIMATED BALANCE SHEET POSITION AT MARCH 31, 1950

54. The following table presents, in summary form, the Government's estimated balance sheet position as at March 31, 1950, with the comparable figures for March 31, 1949.

SUMMARY OF THE GOVERNMENT'S BALANCE SHEET POSITION AS AT MARCH 31, 1949, AND MARCH 31, 1950

(In millions of dollars)

	Fiscal Year Ended March 31		Increase or Decrease (−)
	1950 (Estimated)	1949	
	$	$	$
LIABILITIES			
Floating Debt	494·2	450·7	43·5
Deposit and Trust Accounts	136·6	107·5	29·1
Annuity, Insurance, Pension and Guaranty Accounts	816·6	718·0	98·6
Deferred Credits	11·7	4·4	7·3
Sundry Suspense Accounts	68·7	59·6	9·1
Province Debt Accounts	11·9	11·9	.....
Reserve for conditional benefits—Veterans' Land Act	19·9	13·3	6·6
Funded Debt	15,191·6	15,585·0	−393·4
Total Liabilities	16,751·2	16,950·4	−199·2
ACTIVE ASSETS			
Cash and Other Current Assets	1,428·8	1,660·3	−231·5
Loans to, and Investments in, Crown Agencies	1,163·0	1,058·9	104·1
Other Loans and Investments	2,724·6	2,578·6	146·0
Province Debt Accounts	2·3	2·3	.....
Deferred Charges	62·6	65·8	− 3·2
Sundry Suspense Accounts	25·7	54·2	− 28·5
Total Active Assets	5,407·0	5,420·1	− 13·1
Less reserve for possible losses on ultimate realization of active assets	−320·8	−245·8	− 75·0
Net Active Assets	5,086·2	5,174·3	− 88·1
Net Debt (Excess of Liabilities over Net Active Assets)	11,665·0	11,776·1	−111·1

55. The aggregate liabilities of the Government at March 31, 1950, are estimated at $16,751·2 million, a reduction of $199·2 million from the comparable total at the end of the previous year. Unmatured funded debt outstanding, including bonds, treasury bills, deposit certificates and the estimated refundable portion of excess profits taxes, accounts for $15,191·6 million or approximately 91 per cent of all liabilities. Of the total unmatured funded debt now outstanding, only $499·7 million, or approximately 3·3 per cent is payable in foreign currencies—$437·8 million payable in United States dollars and $61·9 million in pounds sterling. A complete statement in tabular form of the Government's unmatured funded debt at March 31, 1950, with details of interest rates, dates of maturity, annual interest charges, and principal amounts for each loan may be found at the end of this Appendix.

56. Floating debt, consisting of outstanding cheques and interest, matured funded debt and similar demand liabilities is estimated at $494·2 million. Amounts at the credit of annuity, insurance, pension and guaranty accounts are expected to total $816·6 million.

57. The other principal items on the liabilities side of the balance sheet are: deposit and trust accounts (consisting of moneys deposited with or held in trust by the Receiver General for various purposes), $136·6 million; sundry suspense accounts (where some uncertainty as to disposition exists), $68·7 million; reserve for conditional benefits under the Veterans' Land Act, $19·9 million; province debt accounts (representing settlements arising from agreements at the time of confederation), $11·9 million; and deferred credits (consisting of balances whose ultimate accounting treatment is known, but which are held until certain conditions are met), $11·7 million.

58. Offsetting these liabilities, and in a measure explaining their existence —for a substantial portion of the total debt is attributable to loans, advances, and investments—are the Government's active assets. Essentially, these consist of assets which yield interest, profits, or dividends, together with very liquid assets such as cash and departmental working funds.

It is estimated, although some of the items are very difficult to forecast, that the totals of the principal asset categories at March 31, 1950, will be: cash and other current assets, $1,428·8 million; loans to, and investments in, Crown agencies, $1,163 million; other loans and investments, $2,724·6 million; deferred charges (discounts and commissions on loan flotations in the process of being amortized over the life of the loans), $62·6 million; sundry suspense accounts, $25·7 million; and province debt accounts, $2·3 million.

59. The reserve for possible losses on the ultimate realization of active assets which now stands on the books at $320·8 million is shown on the balance sheet as a deduction from the total of the active assets.

8. ANALYSIS OF CHANGES IN PRINCIPAL LIABILITY CLASSIFICATIONS DURING THE YEAR

60. The most significant change on the liabilities side of the balance sheet was again the substantial reduction in the Government's outstanding funded debt. The unmatured funded debt decreased from $15,585 million at March 31, 1949 to an estimated total of $15,191·6 million at March 31, 1950, representing a total net reduction of $393·4 million. The various loan redemptions and flotations which resulted in this net decrease are described in greater detail in the following section.

61. Annuity, pension, insurance and guarantee accounts show an estimated increase of $98·6 million, attributable largely to increases of $59·3 million in government annuities; $16 million in the permanent forces pension fund; $8·9 million in the Civil Service Superannuation account; and $7·6 million in the cash balance of the Unemployment Insurance Fund.

62. It is estimated that there will be an increase of $43·5 million in floating debt. An increase of $49·4 million in the amount of demand notes payable to the International Monetary Fund is offset by a decrease of $4·4 million in the amount of such notes payable to the International Bank for Reconstruction and Development.

63. Other increases on the liabilities side of the balance sheet are: deposit and trust accounts, $29·1 million ($24·1 million of which is attributable to the deposit by the Government of Newfoundland of a portion of its financial surplus, as provided under the Terms of Union); sundry suspense accounts, $9·1 million; deferred credits, $7·3 million; and reserve for conditional benefits under the Veterans' Land Act, $6·6 million.

9. SUMMARY OF SECURITY ISSUES AND REDEMPTIONS DURING THE YEAR

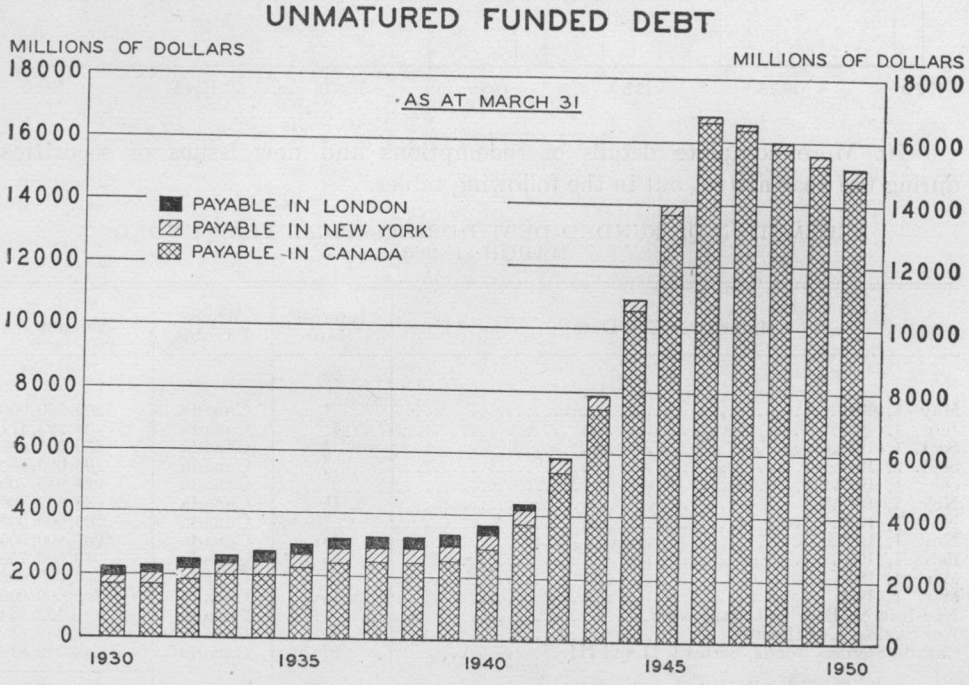
64. During the fiscal year ending March 31, 1950, Government obligations totalling $3,137·4 million and all payable in Canada matured or were called for redemption. The financing of these retirements was effected as follows:

	(Millions)
By refunding or conversion into new issues	$2,213·3
By proceeds of new borrowings—	
Sale of Canada Savings Bonds Series IV	293·2
Sale of Deposit Certificates (part)	45·0
From available cash	585·9
	$3,137·4

65. The retirement of $585·9 million out of available cash represents the net reduction achieved during the year in the total funded debt payable in Canadian dollars.

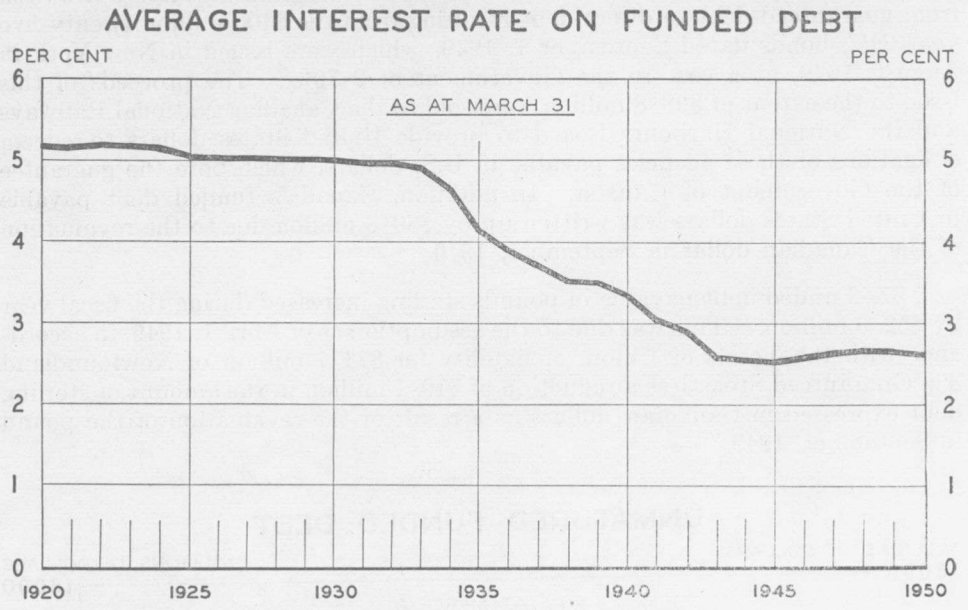
66. Funded debt payable in United States funds increased by $139·8 million in the fiscal year. Most of this increase represented merely a switch from guaranteed debt to direct debt resulting from the $100 million twenty-five year 2¾% bonds dated September 1, 1949, which were issued in New York in August, 1949, at a cost to the Government of 2·79%. The proceeds of this issue to the extent of $98·8 million were sold to the Canadian National Railways and the National Harbours Board to provide United States dollars to redeem obligations of these agencies payable in U.S. dollars, which bore the guarantee of the Government of Canada. In addition, Canada's funded debt payable in United States dollars was written up by $39·8 million due to the revaluation of the Canadian dollar in September, 1949.

67. Funded debt payable in pounds sterling increased during the fiscal year by $52·6 million. This was due to the assumption as of April 1, 1949, in accordance with the Terms of Union, of liability for $71·7 million of Newfoundland 3% Guaranteed Stock less a reduction of $19·1 million in the amount of sterling debt expressed in Canadian dollars as a result of the revaluation of the pound in September, 1949.



68. From the above analysis it will be seen that the over-all reduction in the Government's outstanding funded debt during the year amounted to $393·4 million, i.e., the net reduction of $585·9 million in Canadian debt less the increase of $139·8 million in funded debt payable in New York and the net increase of $52·6 million in funded debt payable in sterling.

69. It is interesting to note that the average coupon rate on the Government's outstanding funded debt at the close of the current fiscal year is estimated at $2·61%. The comparable figure at the close of the previous fiscal year was $2·64% and on March 31, 1939 was 3·52%.



70. More complete details of redemptions and new issues of securities during the year are set out in the following tables.

REDEMPTION OF FUNDED DEBT DURING FISCAL YEAR ENDED MARCH 31, 1950

Maturity or Call Date	Interest Rate	Where Payable	Amount
	%		$
May 1, 1949	⅝	Canada	200,000,000
July 1, 1949	4	Canada	33,293,471
Sept. 1, 1949	¾	Canada	550,000,000
Sept. 2, 1949	¾	Canada	100,000,000
Oct. 1, 1949	3	Canada	324,945,700
Nov. 1, 1949	4½	Canada	289,693,300
Nov. 1, 1949	¾	Canada	200,000,000
Nov. 1, 1949	1¾	Canada	267,800,000
Feb. 1, 1950	3½	Canada	50,086,750
Mar. 1, 1950	¾	Canada	550,000,000
Mar. 1, 1950	1½	Canada	325,000,000
Non-Interest Bearing Certificates	.....	Canada	122,954
War Savings Certificates	3	Canada	42,682,632
Canada Savings Bonds, Series I, II and III	2¾	Canada	148,312,810
Total Bonds and Certificates	.....	.....	3,081,937,617
Repayment of Refundable Portion of Excess Profits Tax	.....	.....	55,416,413
Total Redemptions of Debt	.....	.....	3,137,354,030

NEW SECURITY ISSUES DURING FISCAL YEAR ENDED MARCH 31, 1950

—	Issue Date	Maturity Date	Interest Rate	Price to Government	Yield at Price to Government	Total Amount Issued	Renewals or Reconversion Included in Amount Issued	Amount Issued for Cash
PAYABLE IN CANADA			%		%	$	$	$
Issued to Chartered Banks—								
Three Year Bonds	Nov. 1, 1949	Nov. 1, 1952	1½	99·45	1·69	210,000,000	210,000,000	.....
Three Year Bonds	Mar. 1, 1950	Mar. 1, 1953	1½	99·30	1·74	139,505,000	139,505,000	
Deposit Certificates	Mar. 1, 1950	Aug. 30, 1950	¾	100·00	0·75	100,000 000	55,000,000	45,000,000
						449,505,000	404,505,000	45,000,000
Issued to Bank of Canada—								
Six Months Treasury Notes	May 1, 1949	Nov. 1, 1949	¾	100·00	0·75	200,000,000	200,000,000	.....
Six Months Treasury Notes	Sept. 1, 1949	Mar. 1, 1950	¾	100·00	0 75	550,000,000	550,000,000	.....
Three Year Bonds	Nov. 1, 1949	Nov. 1, 1952	1½	99·45	1·69	90,000,000	90,000,000	.....
Six Months Treasury Notes	Nov. 1, 1949	May 1, 1950	¾	100·00	0·75	200,000,000	200,000,000	.....
Six Months Treasury Notes	Mar. 1, 1950	Sept. 1, 1950	¾	100·00	0 75	550,000,000	550,000,000	.....
Three Year Bonds	Mar. 1, 1950	Mar. 1, 1953	1½	99·30	1·74	185,495,000	185,495,000	.....
						1,775,495,000	1,775,495,000	.....
Issued to General Public—								
Canada Savings Bonds, Series IV—Net	Nov. 1, 1949	Nov. 1, 1959	2¾	99·375	2·82	293,200,000	.....	293,200,000
Issued to Prairie Provinces—								
School Lands Debentures	July 1, 1949	July 1, 1950	4	100·00	4·00	33,293,471	33,293,471	.....
Total Issues Payable in Canada	.....	.....	.....	.....	.....	2,551,493,471	2,213,293,471	338,200,000
PAYABLE IN UNITED STATES								
Issued to General Public—								
Twenty-Five Year Bonds	Sept. 1, 1949	Sept. 1, 1974	2¾	99·25	2·79	100,000,000	.....	100,000,000
Grand Total	.....	.....	.....	.....	.....	2,651,493,471	2,213,293,471	438,200,000

10. ANALYSIS OF CHANGES IN PRINCIPAL ASSET CLASSIFICATIONS DURING THE YEAR

Cash and Other Current Assets.

71. Cash and other current assets decreased by approximately $231·5 million during the fiscal year. The following table summarizes the changes in the various accounts in this category:

CASH AND OTHER CURRENT ASSETS

(In millions of dollars)

—	Balance at March 31		Increase or Decrease (—)
	1950 (Estimated)	1949	
	$	$	$
Cash in current and special deposits including blocked currency...	103·8	90·7	13·1
Other Liquid Assets—			
Advances to Foreign Exchange Control Board.....	1,260·0	1,071·2	188·8
Securities Investment Account.....	18·3	455·8	—437·5
Sinking Funds.....	8·0	.....	8·0
Working Capital Advances—			
Departmental.....	25·1	21·9	3·2
Commodity Prices Stabilization Corporation.....	2·7	5·8	— 3·1
Other Crown Corporations.....	10·9	14·9	— 4·0
	1,428·8	1,660·3	—231·5

72. The two principal changes were a decrease of $437·5 million in the temporary investments held in the Securities Investment Account and an increase of $188·8 million in the advances to the Foreign Exchange Control Board, of which $160 million represents additional cash advances for financing the purchase of gold and foreign exchange, and $28·8 million, the elimination of the Board's revaluation deficit consequent upon revaluation of the Canadian dollar in September, 1949.

Loans to, and Investments in, Crown Agencies.

73. The aggregate amount of loans to, and investments in, Crown agencies increased from $1,058·9 million at March 31, 1949, to $1,163 million at March 31, 1950, a net increase of $104·1 million. The changes in this category of assets are summarized in the following table:

LOANS TO, AND INVESTMENTS IN, CROWN AGENCIES

(In millions of dollars)

	Balance at March 31		Increase or Decrease (—)
	1950 (Estimated)	1949	
	$	$	$
Bank of Canada Capital Stock.....	5·9	5·9	.....
Central Mortgage and Housing Corporation—			
Capital advances.....	25·0	25·0	.....
Loans.....	190·0	90·5	99·5
Canadian Farm Loan Board—Capital stock and bonds.....	23·9	22·2	1·7
Loans to Canadian National Railways.....	744·4	764·8	— 20·4
Canadian Broadcasting Corporation.....	7·7	3·2	4·5
National Harbours Board.....	105·6	85·3	20·3
Other Crown Agencies.....	60·5	62·0	— 1·5
	1,163·0	1,058·9	104·1

74. Loans during the year to the Central Mortgage and Housing Corporation for housing loans, house construction and other building activities of the Corporation are expected to amount to $99·5 million. The total advanced to March 31, 1950, including capital advances of $25 million, is estimated at $215 million.

75. Loans to the Canadian National Railways of $744·4 million represent advances by the Government for capital expenditures, including the purchase of railway equipment, the retirement of maturing debt and the temporary financing of current operations. The decrease of $20·4 million reflects net repayments during the year.

76. The amount of $105·6 million shown for the National Harbours Board represents the net outstanding advances in connection with harbour developments at Montreal and Vancouver. These are the only advances to the National Harbours Board which are classified as active assets in the Government's accounts. The increase of $20·3 million during the year is largely accounted for by advances to the Board for the retirement of bonds originally issued to the public by the Harbour Commissioners of Montreal for the construction of the Jacques Cartier Bridge.

77. The total of $60·5 million shown for Other Crown Agencies represents subscriptions to capital stock of, or advances to, sundry government agencies for capital, construction and other purposes. Of the total, $42·9 million represents the Government's investment in Polymer Corporation Limited. The remainder includes loans to, or investments in, Eldorado Mining and Refining (1944) Limited ($8·2 million); Export Credits Insurance Corporation ($5 million); and Northwest Territories Power Commission ($4·4 million).

Other Loans and Investments.

78. This group of assets includes loans to provincial and municipal governments; loans to the United Kingdom and foreign governments; the Government's subscriptions to the capital of the International Monetary Fund and the International Bank for Reconstruction and Development; and loans to veterans under the Soldier Settlement and Veterans' Land Acts. Details of the loans and investments in this category are shown in the following table:

OTHER LOANS AND INVESTMENTS

(In millions of dollars)

—	Balance at March 31		Increase or Decrease (−)
	1950 (Estimated)	1949	
	$	$	$
Loans to Provincial and Municipal Governments	98·5	102·4	− 3·9
Loans to United Kingdom and Other Governments	2,028·1	1,923·8	104·3
Canada's subscription to capital of the International Monetary Fund	322·5	300·0	22·5
Canada's subscription to capital of the International Bank for Reconstruction and Development	70·7	65·0	5·7
Advances under the Soldier Settlement and Veterans Land Acts	185·8	167·3	18·5
Miscellaneous loans and investments	19·0	20·1	− 1·1
	2,724·6	2,578·6	146·0

79. Loans to provincial and municipal governments include the loans to provinces made originally under the Unemployment and Farm Relief Acts and other legislation, and the loans to municipalities under the Municipal Improvements Assistance Act. The reduction of $3·9 million represents repayments during the year.

80. The loans to United Kingdom and other governments consist of loans to the Government of the United Kingdom under the authority of The War Appropriation (United Kingdom Financing) Act, 1942, and The United Kingdom Financial Agreement Act, 1946, loans to other countries under Part II of the Export Credits Insurance Act and miscellaneous foreign loans. Details of the changes in each of these categories are shown in the following table:

LOANS TO THE UNITED KINGDOM AND OTHER GOVERNMENTS

(In millions of dollars)

—	Balance at March 31		Increase or Decrease (−)
	1950 (Estimated)	1949	
	$	$	$
Loan to the United Kingdom under The War Appropriation (U.K. Financing) Act, 1942	292·0	302·0	− 10·0
Loan to the United Kingdom under The United Kingdom Financial Agreement Act, 1946	1,165·0	1,045·0	120·0
Advances under The Export Credits Insurance Act, Part II	523·5	534·5	− 11·0
Miscellaneous Advances	47·6	42·3	5·3
	2,028·1	1,923·8	104·3

81. It is estimated that during 1949-50 the United Kingdom Government will have repaid $10 million of the interest-free loan granted under the provisions of The War Appropriation (United Kingdom Financing) Act, 1942, reducing the balance outstanding on this account to $292 million at March 31, 1950. During the year, however, additional advances of $120 million were made to the Government of the United Kingdom as part of the $1,250 million loan authorized by The United Kingdom Financial Agreement Act of 1946. The total amount advanced under this agreement now stands at $1,165 million.

82. The advances under Part II of The Export Credits Insurance Act represent loans to certain foreign countries to assist them in purchasing goods and services in Canada. It is estimated that the total of outstanding advances under this act will be $523·5 million at March 31, 1950, representing a net decrease of $11 million compared with the total outstanding at March 31, 1949. A classification of these advances by recipient governments, showing the repayments during the year, is given in the following table:

ADVANCES TO FOREIGN GOVERNMENTS UNDER PART II OF THE EXPORT CREDITS INSURANCE ACT

(In millions of dollars)

—	Total Outstanding at March 31, 1949	Repayments during 1949–50	Total Outstanding at March 31, 1950 (Estimated)
	$	$	$
Belgium	64·6	2·3	62·3
China	50·5	0·3	50·2
Czechoslovakia	16·7	.....	16·7
France	242·7	8·4	234·3
Indonesia	15·4	.....	15·4
Netherlands	118·1	.....	118·1
Norway	23·6	.....	23·6
Union of Soviet Socialist Republics	2·9	.....	2·9
	534·5	11·0	523·5

Sundry Suspense Accounts.

83. The decrease of $28·5 million in this asset classification is attributable mainly to the elimination of the revaluation deficit of the Foreign Exchange Control Board following the revaluation of the Canadian dollar in September, 1949. The revaluation surplus which will appear in the Board's balance sheet will not be shown in the Government's accounts.

Reserve for Possible Losses on Ultimate Realization of Active Assets.

84. For the third successive year an amount of $75 million was added to this reserve with a corresponding amount being shown as an expenditure in the Government's accounts. There was no charge to the reserve during the year under review; the balance at the credit of the account being $320·8 million at the fiscal year-end.

11. INDIRECT OR CONTINGENT LIABILITIES

85. It should be noted that the balance sheet as summarized above does not reflect any of the government's indirect or contingent liabilities. Included under this heading, for example, are the government's guarantees of certain securities issued by various government owned enterprises such as the Canadian National Railways, the Canadian National (West Indies) Steamships Limited, and the Saint John Harbour Commission; the guarantee of deposits maintained by the chartered banks in the Bank of Canada; guarantees of certain loans made by chartered banks to veterans or farmers for certain authorized purposes; guarantees under The Export Credits Insurance Act; and certain commitments under housing legislation.

86. The following table gives details of the bonds and debenture stocks guaranteed by the government, and also indicates the nature and approximate extent of the government's other guarantees and contingent liabilities.

BONDS AND DEBENTURE STOCKS GUARANTEED BY THE GOVERNMENT
AS AT MARCH 31, 1950

Date of Maturity	Issue	Interest Rate	Estimated Amount Outstanding
		%	$
Sept. 1, 1951..	Canadian National	4½	48,022,000
Aug. 1, 1952..	Saint John Harbour Commissioners	5	667,953
July 10, 1953..	Canadian Northern	3	1,162,768
Feb. 1, 1954..	Canadian National	5	50,000,000
May 1, 1954..	City of Saint John Debentures assumed by Saint John Harbour Commissioners	5¼	3,329
Mar. 1, 1955..	Canadian National (West Indies) Steamships Limited	5	9,400,000
June 15, 1955..	Canadian National	4¾	48,496,000
Feb. 1, 1956..	Canadian National	4½	67,368,000
July 1, 1957..	Canadian National	4½	64,136,000
July 20, 1958..	Canadian Northern	3½	5,636,507
Jan. 15, 1959..	Canadian National	3	35,000,000
May 4, 1960..	Canadian Northern Alberta	3½	550,727
May 19, 1961..	Canadian Northern Ontario	3½	3,597,518
Jan. 1, 1962..	Grand Trunk Pacific	3	26,465,130
Jan. 1, 1962..	Grand Trunk Pacific	4	7,999,074
Jan. 3, 1966..	Canadian National	3	35,000,000
Jan. 2, 1967..	Canadian National	2¾	50,000,000
Sept. 15, 1969..	Canadian National	2⅞	70,000,000
Jan. 16, 1971..	Canadian National	2⅞	40,000,000
Perpetual.....	Grand Trunk Debenture Stock	5	1,016,092
Perpetual.....	Great Western Debenture Stock	5	499,709
Perpetual.....	Grand Trunk Debenture Stock	4	5,446,783
Perpetual.....	Northern Railway of Canada Debenture Stock	4	22,591
			570,490,181

The Budget—Appendix

OTHER OUTSTANDING GUARANTEES AND CONTINGENT LIABILITIES AS AT MARCH 31, 1950

	Estimated Amount Outstanding
Deposits maintained by the chartered banks in the Bank of Canada (Feb. 28, 1950)	$ 554,839,714
Bank advances, re Province of Manitoba Savings Office (Feb. 28, 1950)	3,740,078
Province of Manitoba Treasury Bill (Feb. 28, 1950)	2,500,000
Loans made by chartered banks under the Farm Improvement Loans Act, 1944 (Jan. 31, 1950)	10,755,301
Loans made by chartered banks under the Veterans' Business and Professional Loans Act (Dec. 31, 1949)	1,717,190
Guaranteed Bank Loans—Acadia Coal Company (Feb. 28, 1950)	438,000
Guarantees under Part II of The Export Credits Insurance Act (Feb. 28, 1950)	12,750,000
Loans made by approved lending institutions under The Home Improvement Loans Guarantee Act, 1937 (Dec. 31, 1949)	11,551
Loans made by approved lending institutions under Part IV of the National Housing Act, 1944, for home extensions (Dec. 31, 1949)	5,704
Loans made by approved lending institutions under Dominion and National Housing Acts	Indeterminate
Guarantees of land assembly projects under National Housing Act (Dec. 31, 1949)	806,035
Bank Advances, re Canadian Wheat Board (Feb. 28, 1950)	30,754,234

87. It will be noted that the total of guaranteed bonds and debentures outstanding at March 31, 1950, is estimated at $570·5 million, an increase of approximately $15·9 million over the amount outstanding at March 31, 1949. This increase was the net result of several transactions. The Canadian National Railways issued $70 million in $2\frac{7}{8}\%$ Bonds dated September 15, 1949 and maturing September 15, 1969 and $40 million in $2\frac{7}{8}\%$ Bonds dated January 16, 1950 and maturing January 16, 1971; less redemption on October 1, 1949 of $57·7 million 5% Bonds and on February 1, 1950 of $17·3 million 5% Bonds. In addition the National Harbours Board paid off on November 1, 1949, an issue of $19·0 million 5% Bonds.

12. SUPPLEMENTARY DETAILED TABLES

REVENUES

EXPENDITURES

LOANS AND ADVANCES AND INVESTMENTS

UNMATURED FUNDED DEBT

The Budget—Appendix

STATEMENT OF REVENUES FOR THE LAST FIVE FISCAL YEARS

(thousands of dollars)

—	1945-46	1946-47	1947-48	1948-49	Estimated 1949-50
	$	$	$	$	$
TAX REVENUE—					
Direct Taxes—					
Direct Taxes on Incomes—					
Individual Income Tax	691,586	694,530	659,828	762,564	611,500
Tax on Interest and Dividends	26,824	28,428	33,929	40,965	45,500
Taxes on Rents and Royalties	1,486	1,708	1,960	2,480	
Corporation Income Tax	217,834	238,792	364,131	491,990	586,500
Excess Profits Tax	494,196	448,698	227,030	44,792	−2,500
Total Direct Taxes on Incomes	1,431,926	1,412,156	1,286,878	1,342,791	1,241,000
Succession Duties	21,447	23,576	30,828	25,550	28,500
Total Direct Taxes	1,453,373	1,435,732	1,317,706	1,368,341	1,269,500
Indirect Taxes—					
Customs Import Duties	128,877	237,355	293,012	222,975	229,000
Excise Duties—					
Spirits, malt, etc	91,274	97,820	97,675	101,105	104,500
Cigars, cigarettes and tobacco	98,228	101,163	102,116	106,241	114,000
Licences	39	40	37	39	40
Less refunds	−2,815	−2,979	−3,034	−2,733	−3,040
Total Excise Duties	186,726	196,044	196,794	204,652	215,500
Excise Taxes—					
Taxes on Commodities—					
Sales Tax	326,253	328,073	383,012	390,174	415,500
War Exchange Tax	41,198	338	.....	.....	.....
Automobiles, rubber tires and tubes	6,701	16,340	31,949	36,943	34,200
Beverages	16,657	18,635	23,767	27,689	1,630
Candy and chewing gum	11,904	13,277	18,279	19,888	1,020
Cigars, cigarettes and tobacco	70,229	76,318	68,606	77,665	83,400
Cigarette papers and tubes	4,645	6,943	6,419	6,999	7,070
Electric and gas appliances	1,272	7	2,824	3,894	.....
Furs	4,976	3,102	3,139	3,693	3,020
Gasoline	29,836	36,220	2,208	.....	.....
Matches and lighters	3,675	4,088	3,967	3,412	1,080
Phonographs, radios and tubes	646	2,526	5,325	3,562	3,060
Special excise on importations	787	1,185	2,113	279	.....
Sugar	9,974	11,339	10,572	.....	.....
Toilet preparations and soaps	7,107	7,522	7,146	7,757	4,420
Trunks, bags, luggage, etc	4,711	5,710	4,962	5,565	2,290
Wines	2,066	2,394	2,342	2,060	2,170
Jewellery, ornaments, etc	.....	.....	.....	.....	4,260
Sundry	3,811	5,109	4,716	4,700	2,250
Taxes on Amusements and Services—					
Amusements	13,387	14,552	15,369	2,483	.....
Tax on pari-mutuel bets	2,188	2,510	2,519	105	.....
Transportation and communication	26,893	27,931	27,531	29,034	3,950
Stamps, including payment of taxes on jewellery, chinaware, cabaret attendance, etc	21,697	24,437	24,300	22,725	9,720
Licences, interest and miscellaneous	302	313	376	382	380
Less refunds (mainly sales tax)	−114,005	−29,845	−10,683	−12,871	−11,420
Total Excise Taxes	496,910	579,024	640,758	636,138	568,000
Other Taxes—					
Chartered bank note circulation	270	220	188	166	150
Insurance Companies	7,951	8,796	3,004	3,339	3,400
Miscellaneous	751	690	613	531	450
Total Indirect Taxes	821,485	1,022,129	1,134,369	1,067,801	1,016,500
Total Revenue from Taxes	2,274,858	2,457,861	2,452,075	2,436,142	2,286,000

STATEMENT OF REVENUES FOR THE LAST FIVE FISCAL YEARS—*Concluded*

(thousands of dollars)

—	1945-46	1946-47	1947-48	1948-49	Estimated 1949-50
	$	$	$	$	$
NON-TAX REVENUE—					
Post Office	68,613	72,978	77,759	80,604	84,000
Return on Investments	70,915	69,439	75,800	107,889	90,400
Bullion and coinage	4,954	2,098	1,731	3,253	4,100
Premium, discount and exchange	.....	.....	3,736	.....	.....
Other	16,322	16,355	18,745	21,202	24,500
Total Non-tax Revenue	160,804	160,870	177,771	212,948	203,000
Total Ordinary Revenue	2,435,662	2,618,731	2,629,846	2,649,090	2,489,000
SPECIAL RECEIPTS AND CREDITS—					
Refunds of previous years' Special Expenditure	20	10	7	16	160
Special Receipts—War and Demobilization	626,616	412,763	225,757	117,121	58,928
Donations to the Crown	161	170	138	69	60
Canadian Wheat Board—					
Surpluses in certain special accounts	.....	1,762	16	121	400
Canadian National Railways—					
Net credit due to increase in Canadian National Railways Securities Trust Stock (contra)	22,631	.....	.....	.....	.....
Investment in Crown plants transferred to Active Assets	174	2,053	3,704	2,528	.....
	649,602	416,758	229,622	119,855	59,548
Capital and Non-active Accounts—					
Capital Accounts—					
Refunds of previous years' expenditure	376	110	61	82	2
Transfer to Consolidated Deficit Account (contra)	.....	.....	158	2,243	.....
Non-active Accounts—					
National Harbours Board, reduction of indebtedness	.....	10	82	.....	11
1936 and 1937 Saskatchewan Seed Grain Loans Guarantees—					
Adjustment pursuant to The Western Provinces Treasury Bills and Natural Resources Settlement Act, 1947	.....	.....	9,773	.....	.....
Canadian National (West Indies) Steamships, Limited, reduction of indebtedness	.....	1,105	256	80	.....
Write-off to Consolidated Deficit Account—					
Canadian National Railways Securities Trust Stock—reduction due to retirement of equipment during calendar years 1946 and 1947	.....	1,308	1,885	.....	.....
Seed Grain and Relief Loans	45	54	63	45	20
Total Capital and Non-active Accounts	421	2,587	12,278	2,450	51
Total Special Receipts and Credits	650,023	419,345	241,900	122,305	59,599
Total Revenue	3,085,685	3,038,076	2,871,746	2,771,395	2,548,599
Less estimated amount of refundable Income and Excess Profits Taxes	72,500	30,200	.....	.....	.....
Net Total Revenue	3,013,185	3,007,876	2,871,746	2,771,395	2,548,599

The Budget—Appendix

STATEMENT OF EXPENDITURES BY MAJOR CATEGORIES AND BY DEPARTMENTS FOR THE LAST FIVE FISCAL YEARS

(thousands of dollars)

—	1945–46	1946–47	1947–48	1948–49	Estimated 1949–50
	$	$	$	$	$
ORDINARY EXPENDITURE					
Agriculture	10,319	13,300	16,311	20,376	24,974
Auditor General's Office	379	390	395	533	566
Citizenship and Immigration*	.....	.....	.....	.....	5,833
Indian Affairs Branch	.....	.....	.....	.....	12,450
Civil Service Commission	479	593	665	771	1,523
External Affairs	4,522	5,128	7,195	8,676	9,500
Finance—					
Interest on Public Debt	409,134	464,395	455,455	465,138	439,200
Cost of Loan Flotations and Annual Amortization of Bond Discounts and Commissions	22,311	12,139	10,914	9,745	10,495
Premium paid on redemption of called bonds	5,842	271	35	9	.....
Subsidies to Provinces	14,447	14,383	33,394	17,095	19,170
Transitional Grant to Newfoundland	.....	.....	.....	.....	6,500
Miscellaneous Grants and Contributions	617	95	113	147	497
Civil Pensions and Superannuation	293	253	224	190	167
Government's contribution to Superannuation Fund	2,696	3,161	3,488	4,050	5,463
Premium, Discount and Exchange	14,734	9,172	.....	111	22,000
Compensation to Provinces under Dominion-Provincial Taxation Agreements—					
Income and Corporation Taxes	94,343	94,380	122,497	84,387	78,206
Gasoline Tax	3,709	.....	.....	.....	.....
Special payments in respect to matters supplementary to Terms of Union of Newfoundland with Canada	.....	.....	.....	.....	1,432
Office of the Comptroller of the Treasury	5,565	7,521	8,933	11,103	11,162
Administrative and Sundry Expenditure	2,004	2,078	2,380	3,515	5,143
Fisheries	3,262	3,599	4,097	5,158	6,646
Governor General and Lieutenant-Governors	227	252	239	242	276
Insurance	199	212	237	263	315
Justice	2,848	3,194	3,917	4,025	4,364
Penitentiaries	3,258	3,806	4,564	5,863	7,232
Labour	1,620	2,010	2,319	4,712	5,335
Unemployment Insurance Act, 1940—					
Administration	6,185	7,496	17,641	18,965	25,016
Government's Contribution	12,514	15,200	17,500	20,103	21,500
Government Annuities—					
Payment to maintain reserve	294	977	332	11,408	1,500
Legislation—					
House of Commons	2,235	2,786	3,022	2,628	3,770
Library of Parliament	74	90	103	127	128
Senate	727	881	946	736	1,184
General	98	167	270	272	265
Chief Electoral Officer, including elections	3,091	144	151	287	4,447
Mines and Resources—*					
Administration	164	173	268	366	.....
Immigration	1,524	2,047	2,665	5,564	.....
Indian Affairs	4,466	5,948	7,180	10,378	.....
Lands, Parks and Forests	2,689	4,962	.....	.....	.....
Lands and Development Services	.....	.....	5,630	11,863	.....
Surveys and Engineering	1,323	3,444	.....	.....	.....
Special Projects	.....	.....	2,554	126	.....
Mines and Geological Survey	1,303	1,847	.....	.....	.....
Mines, Forests and Scientific Services	.....	.....	5,318	17,970	.....
Mines and Technical Surveys*	.....	.....	.....	.....	22,918
National Defence—					
Administration and sundry services	127	253	615	1,127	353
Pensions—Militia Pension Act	(1) —	(1) —	(1) —	4,863	5,000
Government's contribution to Permanent Forces Pension Fund	.....	.....	(2) —	7,867	9,046

(1) Included under Veterans Affairs.
(2) Included under Demobilization and Reconversion—Army, Navy and Air Services.
* See paragraphs 37 and 38.

STATEMENT OF EXPENDITURES BY MAJOR CATEGORIES AND BY DEPARTMENTS FOR THE LAST FIVE FISCAL YEARS—*Continued*

(thousands of dollars)

—	1945-46	1946-47	1947-48	1948-49	Estimated 1949-50
	$	$	$	$	$
ORDINARY EXPENDITURE—*Con.*					
National Health and Welfare	7,294	8,616	10,815	14,381	16,900
Old age pensions, including pensions to blind persons	33,715	35,928	58,090	66,764	94,000
Family allowances	172,632	245,141	263,165	270,910	297,600
General health grants	.....	.....	.....	7,528	14,000
National Revenue (including Income Tax)	22,630	28,551	37,312	49,323	50,996
National War Services	5	.....	.....	.....	.....
Post Office	57,730	64,213	67,944	77,643	83,145
Prime Minister's Office	61	88	99	106	110
Privy Council	419	808	1,287	4,351	3,988
Public Archives	127	149	157	173	209
Public Printing and Stationery	238	293	536	753	905
Public Works	16,283	26,360	35,545	50,644	66,800
Reconstruction and Supply*	2,103	1,932	12,342	3,403	.....
Resources and Development*	.....	.....	.....	.....	26,098
Dominion Fuel Board administration, coal subsidies and subventions	2,339	1,776	1,143	([3]) —	([3]) —
Royal Canadian Mounted Police	7,284	8,604	10,406	13,717	16,100
Secretary of State	954	1,157	1,345	1,559	1,640
Trade and Commerce	6,356	9,776	10,846	24,778	31,382
Dominion Fuel Board administration coal subsidies and subventions	.....	.....	.....	2,164	4,921
Mail Subsidies and Steamship Subventions	994	1,103	([4]) —	([4]) —	([4]) —
Transport—					
Administration and general	1,440	1,499	1,973	3,492	3,305
Air Service	4,196	5,653	10,390	15,932	24,135
Marine Service	4,895	5,963	6,831	8,176	10,194
Railways and Canals	3,391	3,702	4,073	5,124	7,582
Maritime Freight Rates Act	4,345	4,871	5,090	6,606	7,025
Mail Subsidies and Steamship Subventions, including Canadian Maritime Commission	.....	.....	1,764	2,166	2,414
Veterans Affairs—					
Departmental Administration	1,142	1,680	1,677	2,225	2,235
Pensions (World War 1 and military)	39,996	40,771	41,227	.....	.....
Pensions (World Wars 1 and 2 and N.W. Rebellion, 1885)	([5]) —	([5]) —	([5]) —	102,951	96,000
Treatment and after-care of returned soldiers and allowances to dependents	28,551	44,303	46,286	69,937	69,390
Soldiers Settlement and Veterans Land Acts	3,160	6,551	8,092	7,885	7,591
Total Ordinary Expenditure	1,061,902	1,236,235	1,380,002	1,573,450	1,712,241
CAPITAL EXPENDITURE					
Railways	2,313	2,654	3,809	3,239	3,875
Public Works	2,195	8,546	11,847	15,234	20,272
Total Capital Expenditure	4,508	11,200	15,656	18,473	24,147

([3]) See Department of Trade and Commerce.
([4]) See Department of Transport.
([5]) See War, Demobilization and Reconversion Expenditure.
* See paragraphs 37 and 38.

The Budget—Appendix

STATEMENT OF EXPENDITURES BY MAJOR CATEGORIES AND BY DEPARTMENTS FOR THE LAST FIVE FISCAL YEARS—*Continued*

(thousands of dollars)

—	1945-46	1946-47	1947-48	1948-49	Estimated 1949-50
	$	$	$	$	$
WAR, DEMOBILIZATION AND RECONVERSION EXPENDITURE					
National Defence—Army, Navy and Air Services	.....	.....	*189,360*	*238,915*	*343,467*
National Defence—Defence Research	.....	*4,090*	*6,024*	*16,033*	*21,005*
National Defence—					
Army Services	*949,578*	*219,124*	.....	.....	.....
Naval Services	*241,759*	*64,873*	.....	.....	.....
Air Services	*524,330*	*99,271*	.....	.....	.....
Reconstruction and Supply (formerly Munitions and Supply)—					
Administration, reconversion and operation of Crown Companies and/or Crown Plants	.....	10,784	1,558	(6) —	—
Administration	6,858	4,140	1,305	122	.....
Housing development	.....	35,323	38,558	1,013	.....
Production and transportation subsidies for Canadian steel producers, etc.	(7) —	12,663	7,950	(6) —	(6) —
Research and development of jet engines and aircraft	.....	.....	4,500	(6) —	(6) —
Expansion of industry	112,675	.....	.....	.....	.....
Acquisition of U.S. Assets	1,906	.....	.....	.....	.....
Liquidation of contracts	.....	24,743	1,007	.....	.....
Termination of contracts	151,846	55,200	6,400	.....	.....
Other	5,522	4,287	1,056	242	.....
	278,807	*147,140*	*62,334*	*1,377*	.....
Resources and Development	.....	.....	.....	.....	*317*
Agriculture—					
Disposal of agricultural products rendered surplus by the war	354	958	7	.....	.....
Freight assistance on western feed grains	17,317	18,828	20,092	18,154	16,900
Fertilizer subventions and freight allowance	438	283	.....	.....	.....
Subsidies and bulk purchasing of fertilizer	.....	.....	597	.....	.....
Subsidy on western wheat used exclusively as feed for live-stock	7,864	6,474	4,421	.....	.....
Subsidy on milk and milk products	41,659	36,759	1,861	.....	.....
Premium on hog carcasses suitable for export to U.K.	9,573	4,506	5,474	4,585	5,100
To provide for reserve stocks of feed grains	1,274	1,551	434	.....	.....
Sundry	4,499	1,757	347	439	491
	82,978	*71,116*	*33,233*	*23,178,*	*22,491*
External Affairs—					
Contribution to International Refugee Organization	.....	.....	5,468	5,412	5,827
General post UNRRA relief	.....	.....	16,927	325	.....
Sundry	383	837	5	102	1,133
	383	*837*	*22,400*	*5,839*	*6,960*
Finance—					
Comptroller of the Treasury	9,369	6,072	1,702	(8) —	(8) —
Wartime Prices and Trade Board—					
Administration	14,753	12,738	5,794	3,321	2,621
Subsidies due to application of Order placing a ceiling over all prices	97,819	88,778	34,341	14,911	25
Advances for payment of drawback claims to millers and other manufacturers of wheat products	14,750	26,000	17,000	11,000	1,350
House Conversion Program	1,764	(9) —	(9) —	(9) —	(9) —
Halifax V-E Day disorders and explosion					
Payment of claims	4,610	2,127	.....	.....	.....
Expenses of investigations	248	161	.....	.....	.....
Sundry	958	999	363	1,457	92
	144,271	*136,875*	*59,200*	*30,689*	*4,088*

(6) See Department of Trade and Commerce.
(7) Included in Expansion of Industry.
(8) Included in ordinary expenditure.
(9) See Department of Reconstruction and Supply.

STATEMENT OF EXPENDITURES BY MAJOR CATEGORIES AND BY DEPARTMENTS FOR THE LAST FIVE FISCAL YEARS—*Continued*

(thousands of dollars)

—	1945-46	1946-47	1947-48	1948-49	Estimated 1949-50
	$	$	$	$	$
WAR, DEMOBILIZATION AND RECONVERSION EXPENDITURE—*Con.*					
Labour—					
National Selective Service program	11,268	11,230	(10) —	(10) —	(10) —
Removal of enemy aliens from protected areas	2,203	3,161	.....	.....	.....
Vocational training for discharged members of Canada's Armed Forces	4,365	13,049	6,405	3,472	2,386
Vocational Schools — Payments to Provinces	607	2,442	3,264	(11) —	(11) —
Sundry	4,416	2,772	1,723	1,767	1,402
	22,859	*32,654*	*11,392*	*5,239*	*3,788*
Mines and Resources	*3,475*	*2,498*	*1,812*	*989*	.....
Mines and Technical Surveys	.....	.....	.....	.....	*1,354*
National War Services	*14,245*	*29*	.....	.....	.....
National Health and Welfare—					
Old Age Pensions increased benefits	9,103	9,517	996	(11) —	(11) —
Sundry	2,135	157	107	31	.....
	11,238	*9,674*	*1,103*	*31*	.....
Privy Council	*1,272*	*45*	*8*	.....	.....
Public Works	*6,205*	*3,651*	*1,242*	.....	.....
Royal Canadian Mounted Police	*4,775*	*1,896*	*1,627*	.....	.....
Trade and Commerce—					
Administration	.....	.....	.....	1,000	.....
Administration, reconversion and operation of Crown Companies and/or Crown Plants	.....	.....	.....	2,585	.....
Production and transportation subsidies for Canadian steel producers, etc.	.....	.....	.....	7,062	4,665
Research and development of jet engines and aircraft	.....	.....	.....	2,000	1,500
Sundry	1,772	682	126	1,157	316
	1,772	*682*	*126*	*13,804*	*6,481*
Transport	*15,013*	*9,723*	*6,387*	*1,637*	*1,273*
Veterans Affairs—					
Treatment—Defence Forces	26,298	50,982	27,130	(12) —	(12)
Pensions—Defence Forces	22,200	33,763	40,517	(12) —	(12) —
Additions, alterations and improvements to departmental hospitals, including land purchases	7,371	8,334	6,805	5,095	3,700
Post-discharge rehabilitation benefits	32,131	96,762	78,323	44,826	24,900
War service gratuities and re-establishment credits	239,585	318,325	84,175	36,148	22,800
Sundry	774	273	418	1,181	1,390
	323,359	*508,439*	*237,368*	*87,250*	*52,790*
Other Departments	*2,453*	*2,181*	*805*	*593*	*67*
Write-off of Air Training Plan Loans and Advance as per United Kingdom Financial Agreement Act, 1946	*425,000*	.....	.....	.....	.....
Mutual Aid (excluding administration)	*766,862*	.....	.....	.....	.....
Military Relief	*34,463*	.....	.....	.....	.....
Canada's Contribution to UNRRA	*142,852*	.....	.....	.....	.....
Total War, Demobilization and Reconversion Expenditures	4,002,949	1,314,798	634,421	425,574	464,081
SPECIAL EXPENDITURE					
Agricultural and Other Projects	4,423	4,432	5,253	10,489	17,858
Prairie Farm Assistance Act, 1939—					
Administration	327	333	450	402	450
Advances to Prairie Farm Emergency Fund	12,052	6,597	10,744	8,640	12,800
Wheat acreage reduction plan—					
Administration	159	.....	.....	.....	.....
Payments of awards to farmers	397	2	.....	.....	.....

(10) Included in ordinary expenditure (Unemployment Insurance administration).
(11) Included in ordinary expenditure.
(12) Included in ordinary expenditure.

The Budget—Appendix

STATEMENT OF EXPENDITURES BY MAJOR CATEGORIES AND BY DEPARTMENTS FOR THE LAST FIVE FISCAL YEARS—*Continued*

(thousands of dollars)

—	1945-46	1946-47	1947-48	1948-49	Estimated 1949-50
	$	$	$	$	$
SPECIAL EXPENDITURES—*Con.*					
Deficits—Canadian Wheat Board	.....	20,562	31,450	4,454	4,580
Subsidies on oats and barley, used as feed for live stock—Dept. of Agriculture	.....	.....	13,963	.....	.....
Reimbursement to Canadian Wheat Board for expenses of regulating deliveries of grain—Department of Trade and Commerce	.....	.....	733	128	.....
Reimbursement to Canadian Commercial Corporation for expenses in purchasing materials, etc., on behalf of Dept. of National Defence—Dept. of Trade and Commerce	.....	.....	548	776	1,005
Fraser Valley, B.C., Flood Area—					
Repairing and reconstructing dykes	.....	.....	.....	4,500	3,000
Grant for emergency relief and rehabilitation	.....	.....	.....	5,000	.....
Repairs to Federal Government structures and telegraph and telephone lines	.....	.....	.....	424	.....
Protection of works	.....	.....	.....	.....	1,125
Total Special Expenditure	17,358	31,926	63,141	34,813	40,818
GOVERNMENT OWNED ENTERPRISES					
Losses charged to Consolidated Deficit Account—					
Prince Edward Island Car Ferry and Terminals	688	888	932	1,220	1,221
Canadian National Railways	.....	8,962	15,885	33,533	42,043
Canadian National (West Indies) Steamships, Ltd	.....	.....	.....	.....	461
Trans-Canada Airlines	.....	.....	1,370	2,933	4,318
National Harbours Board	86	114	137	238	83
Total charged to Consolidated Deficit Account	774	9,964	18,324	37,924	48,126
Loans and advances non-active—					
National Harbours Board	560	718	371	1,739	4,219
Total Government Owned Enterprises	1,334	10,682	18,695	39,663	52,345
OTHER CHARGES					
Write-down of assets chargeable to Consolidated Deficit Account—					
Reduction of soldier and general land settlement loans	36	232	3	.....	(13)
Reduction of Veterans' Land Act Loans	.....	129	2,097	1,000	(13)
Yearly established losses in seed grain and relief accounts—					
Department of Resources and Development	45	54	63	45	20
Cancellation of Canadian Farm Loan Board Capital Stock	1	.....	.....	.....	.....
Canadian National Railways Securities Trust Stock—reduction due to retirement of equipment	.....	1,308	1,885	.....	.....
Provision for reserve for possible losses on ultimate realization of Active Assets	25,000	25,000	75,000	75,000	75,000

(13) Included in ordinary expenditure.

STATEMENT OF EXPENDITURES BY MAJOR CATEGORIES AND BY DEPARTMENTS FOR THE LAST FIVE FISCAL YEARS—*Concluded*

(thousands of dollars)

—	1945-46	1946-47	1947-48	1948-49	Estimated 1949-50
	$	$	$	$	$
Other Charges—*Conc.*					
Provision for reserve for conditional benefits under Veterans' Land Act...	464	2,663	4,505	5,631	6,600
Assumption of part of Newfoundland debt under Terms of Union.....	.....	.....	.....	.....	62,293
Canadian National Railways Securities Trust Stock—					
Net change in Dominion's equity in Canadian National Railways.....	22,631	.....	.....	.....	.....
Transfer from Capital Account to Consolidated Deficit Account.....	.....	.....	158	2,243	.....
Total Other Charges.....	48,177	29,386	83,711	83,919	143,913
Grand Total Expenditures.....	5,136,228	2,634,227	2,195,626	2,175,892	2,437,545

The Budget—Appendix

ANNUAL CHANGES IN ACTIVE LOANS AND INVESTMENTS FOR THE LAST FIVE FISCAL YEARS

(In thousands of dollars)

—	Fiscal Years Ended March 31				
	1946	1947	1948	1949	Estimated 1950
	$	$	$	$	$
WORKING CAPITAL ADVANCES TO CROWN CORPORATIONS					
Canadian Arsenals Ltd	.....	.....	2,500	2,500	.....
Canadian Commercial Corporation	.....	2,500	.....	1,000	Cr. 3,000
Canadian Wool Board	Cr. 6,947	Cr. 6,457	.....	.....	.....
Commodity Prices Stabilization Corporation	Cr. 7,819	15,638	Cr. 19,341	Cr. 14,911	Cr. 3,016
Crown Assets Disposal Corporation	1,293	.....	Cr. 345	Cr. 108	Cr. 1,085
Export Credits Insurance Corporation—Capital Surplus	2,000	.....	2,500	.....	.....
	Cr. 11,473	11,681	Cr. 14,686	Cr. 11,519	Cr. 7,101
LOANS TO, AND INVESTMENTS IN, CROWN AGENCIES					
Central Mortgage and Housing Corporation—					
Capital	25,000	.....	.....	.....	.....
Loans	.....	.....	22,500	68,000	99,500
Central Mortgage Bank Capital Stock	Cr. 250	.....	.....	.....	.....
Canadian Broadcasting Corporation	.....	2,000	.....	1,250	4,500
Canadian Farm Loan Board	Cr. 2,401	Cr. 600	99	1,050	1,700
National Harbours Board	Cr. 66	151	Cr. 26	213	20,273
Railway and Steamship Companies	43,164	Cr. 20,521	81,717	4,067	Cr. 20,422
Crown Plants	Cr. 4,997	Cr. 41,101	.....	.....	.....
Other Crown Agencies	Cr. 6,613	Cr. 14,767	2,500	4,615	Cr. 1,498
	53,837	Cr 74,838	106,790	79,195	104,053
OTHER LOANS AND INVESTMENTS					
Provincial and Municipal Governments	Cr. 4,350	Cr. 2,530	Cr. 63,629	Cr. 5,376	Cr. 3,852
United Kingdom and Other Governments—					
United Kingdom, Australia and New Zealand—Air Training Accounts	Cr. 249,504	Cr. 2	.....	.....	.....
United Kingdom—British Commonwealth Air Training Plan—Settlement	Cr. 200,000	.....	.....	.....	.....
United Kingdom—Loan under The War Appropriation (U.K. Financing) Act, 1942	Cr. 63,946	Cr. 95,800	Cr. 111,285	Cr. 29,487	Cr. 9,927
United Kingdom Financial Agreement Act, 1946—Loan	.....	640,000	368,000	37,000	120,000
Export Credits Insurance Act	67,412	267,983	130,934	68,196	Cr. 10,964
Other (U.K. and Other Governments)	111,497	Cr. 165,415	Cr. 5,712	2,060	5,336
Canada's subscription to Capital of—					
International Monetary Fund	33	299,970	.....	.....	22,499
International Bank for Reconstruction and Development	36	48,750	16,250	.....	5,658
Miscellaneous—					
Loans to veterans under the Soldier Settlement and Veterans' Land Acts	18,677	55,202	37,522	21,901	18,521
Dominion and National Housing Acts Loans	Cr. 14,721	.....	.....	.....	.....
Balances receivable under agreements of sale of Crown Assets	.....	13,503	Cr. 1,972	Cr. 1,230	Cr. 349
Other miscellaneous loans	Cr. 61	Cr. 10,550	Cr. 1,157	Cr. 588	Cr. 751
	Cr. 334,927	1,051,111	368,951	92,476	146,171
Net Total of Changes in Loans and Investments	Cr. 292,563	987,954	461,055	160,152	243,123

UNMATURED FUNDED DEBT AND TREASURY BILLS AS AT MARCH 31, 1950, AND ANNUAL INTEREST THEREON

Date of Maturity	Rate per Cent	Where Payable	Amount of Loan	Annual Interest Charge
			$ cts.	$ cts.
1950, May 1	3/4	Canada	200,000,000 00	1,500,000 00
July 1	4	Canada	33,293,470 85	1,331,738 83
Sept. 1	3/4	Canada	550,000,000 00	4,125,000 00
Nov. 1	1 3/4	Canada	335,690,000 00	5,874,575 00
Nov. 1	1 3/4	Canada	400,000,000 00	7,000,000 00
1951, Feb. 1	3 1/4	Canada	(1) 50,155,600 00	1,621,932 00
June 15	3	Canada	(2) 649,969,592 50	19,306,027 50
Nov. 1	1 3/4	Canada	500,000,000 00	8,750,000 00
1952, Feb. 1	3 1/4	Canada	(3) 50,500,000 00	1,625,000 00
Nov. 1	1 1/2	Canada	300,000,000 00	4,500,000 00
1953, Mar. 1	1 1/2	Canada	325,000,000 00	4,875,000 00
1954, Mar. 1	3	Canada	(4) 676,355,489 00	20,089,767 00
1955, May 1	3 1/4	London	2,930,121 84	95,228 96
June 1	3	Canada	40,000,000 00	1,200,000 00
June 1	3	Canada	55,000,000 00	1,650,000 00
1956, Nov. 1	3	Canada	(5) 855,607,410 50	25,414,081 50
Nov. 1	2 3/4	Canada	*284,780,000 00	7,831,450 00
1957, May 1	3	Canada	1,111,261,650 00	33,337,849 50
Nov. 1	2 3/4	Canada	*155,850,000 00	4,285,875 00
1958, June 1	3	Canada	88,200,000 00	2,646,000 00
Sept. 1	4	London	1,967,941 43	78,717 66
Nov. 1	2 3/4	Canada	*161,325,000 00	4,436,437 50
1959, Jan. 1	3	Canada	1,197,324,750 00	35,919,742 50
Nov. 1	2 3/4	Canada	*293,200,000 00	8,063,000 00
1960, June 1	3	Canada	1,165,300,350 00	34,959,010 50
Oct. 1	4	New York	110,000,000 00	4,400,000 00
1961, Jan. 15	3 1/4	New York	52,800,000 00	1,716,000 00
1962, Feb. 1	3	Canada	1,315,639,200 00	39,469,176 00
1963, July 1	3 1/4	London	2,176,198 85	70,726 46
July 1	3	London	*54,812,834 29	1,644,385 03
Aug. 1	3	New York	165,000,000 00	4,950,000 00
Oct. 1	3	Canada	1,295,819,350 00	38,874,580 50
1966, June 1	3 1/4	Canada	54,703,000 00	1,777,847 50
Sept. 1	3	Canada	1,691,796,700 00	50,753,901 00
1974, Sept. 1	2 3/4	New York	110,000,000 00	3,025,000 00
Perpetual	3	Canada	55,000,000 00	1,650,000 00
1950, April 6 Treasury Bills	·513	Canada	75,000,000 00	384,750 00
April 21 Treasury Bills	·512	Canada	75,000,000 00	384,000 00
May 5 Treasury Bills	·512	Canada	75,000,000 00	384,000 00
May 26 Treasury Bills	·513	Canada	75,000,000 00	384,750 00
June 9 Treasury Bills	·513	Canada	75,000,000 00	384,750 00
June 23 Treasury Bills	·512	Canada	75,000,000 00	384,000 00
Aug. 30 Deposit Certificates	·75	Canada	100,000,000 00	750,000 00
June 15 Non-Interest Bearing Certificates	.....	Canada	*148,700 00	.....
War Savings Certificates	3	Canada	*135,000,000 00	4,050,000 00
			15,076,607,359 26	395,954,299 94
Refundable portion of excess profits tax (estimated)	.....	Canada	*115,000,000 00	.....
			15,191,607,359 26	395,954,299 94
Payable in Canada	.....	.....	14,691,920,262 85	96·71%
Payable in New York	.....	.....	437,800,000 00	2·88%
Payable in London	.....	.....	61,887,096 41	0·41%
			15,191,607,359 26	100·00%

(1) Redeemable at 100½ per cent. Amount outstanding includes $ 250,000.00 redemption bonus.
(2) Redeemable at 101 per cent. Amount outstanding includes $6,435,342.50 redemption bonus.
(3) Redeemable at 101 per cent. Amount outstanding includes $ 500,000.00 redemption bonus.
(4) Redeemable at 101 per cent. Amount outstanding includes $6,696,589.00 redemption bonus.
(5) Redeemable at 101 per cent. Amount outstanding includes $8,471,360.50 redemption bonus.
* Estimated.

HOUSE OF COMMONS

Wednesday, March 29, 1950

The house met at three o'clock.

HOUSE OF COMMONS

VISITORS IN GALLERY—HOLSTEIN BREEDERS FROM ELGIN COUNTY

Mr. C. D. Coyle (Elgin): Mr. Speaker, we have with us today in the gallery to our left a number of the members of the Holstein breeders association of the county of Elgin, which happens to be the county I represent. Through you I should like to extend to them a cordial welcome and to express the hope that they have an enjoyable time while they are in Ottawa.

NATIONAL FILM BOARD

REPORT ON ORGANIZATION AND BUSINESS ADMINISTRATION—SCREENING OF EMPLOYEES

Hon. Robert H. Winters (Minister of Resources and Development): Mr. Speaker, on March 8 the hon. member for Peterborough West (Mr. Fraser) asked me if I intended to table the report being prepared by Messrs. J. D. Woods and Gordon on the organization and business practices of the national film board. At that time I had not received the report, and while I did not give a definite answer, I indicated that I expected to table it.

The investigation was undertaken at my request after consultation with Right Hon. Vincent Massey, chairman of the royal commission on the arts, letters and sciences. The terms of reference under which the investigation was conducted were discussed with Mr. Massey, who informed me that they would serve his purpose as well and that the resulting report would be useful to him.

The report has now been received, and I have given preliminary consideration to its recommendations, some of which are along lines on which the government and the board have already been proceeding, others of which will require special consideration by the film commissioner, the board and the government.

Meanwhile, I feel that it would be of advantage to make the report public so that hon. members and others interested may also have the opportunity of considering its recommendations and the reasons given for them. I would accordingly ask the leave of the house to table a copy of the report. In offering to table it, I should emphasize that it is not a governmental document which there is any obligation to table, and that I should not like my action in this case to be construed in the future as a precedent which would prevent the government from securing confidential expert advice in dealing with administrative problems.

In the present case I think there is something to be gained by discussion of the problems set forth in the report and of the solutions suggested.

I am gratified, and I am sure most hon. members will be equally gratified, by the tribute paid by these experienced business consultants to the achievements of the board and to the high level of service of the board's employees.

The report indicates that where there are weaknesses in the organization and methods of the board, they are in most cases the natural outcome of a rapid period of growth under the exceptional circumstances of war. The situation was aggravated by the obviously inefficient arrangements for housing the board's activities, which were, in turn, the inevitable result of the space problem all government agencies have faced during and since the war.

I shall not attempt today to indicate how far and how rapidly the government will be able to implement the recommendations, some of which incidentally do not call for immediate action. Since I asked Messrs. J. D. Woods and Gordon to make the investigation, Mr. W. Arthur Irwin has been appointed government film commissioner, and, as the report itself suggests, the commissioner should have ample opportunity to review the organization and activities of the board before final decisions are made.

I should like to take advantage of this occasion to say a word about another matter relating to the film board. The screening of the national film board, undertaken last year in conformity with the government's established security regulations, has proceeded to the point where it was possible for me on February 21 to direct the commissioner to inform all government departments and agencies concerned that the board was in a position to undertake work of a secret nature. This of course applies to the Department of

National Defence, and on the same day I advised the Minister of National Defence accordingly.

The screening of all employees of the board has been completed. Action has been taken in the case of a very few employees about whose trustworthiness the board was unable to feel any definite assurance. I hope no hon. member will press for details in the house about these matters, at least not until he has discussed confidentially with me any case that may be giving him concern. The reason is the one I gave the house on December 7, and which I should now like to repeat, namely that:

> It would be a grave injustice to such persons—against whom there is no charge of wrongdoing, but merely the absence of satisfactory evidence of trustworthiness—to proclaim their names publicly and thereby injure their reputations and their chances of alternative employment. What I wish to emphasize is that it is not the government which would be hurt by publicity but the men and women whose reliability and trustworthiness are under examination; and nobody wants to be unfair and unjust to individuals.

I think I should make one other point. The process of screening of government employees is a continuous one. There is the usual turnover, with new employees being taken on; but it is the earnest hope of all who have been concerned with this matter that the number of cases of untrustworthiness in the future will be as rare as they have so far proved to be.

Mr. Fraser: I should like to thank the minister for tabling the report. I think it is in the interests of the welfare of the national film board for the present and the future. I hope there is more than one copy of it; otherwise members will not have a chance to go through it.

Mr. Fleming: I do not want any of the details that the minister suggests should not be asked for, but would the minister care to indicate the number of the cases to which he has referred?

Some hon. Members: No.

Mr. Graydon: How many ministers are there over there?

Mr. Martin: Twenty-one.

An hon. Member: More than there are on your side.

Mr. Speaker: Order.

Mr. Winters: Perhaps I should tell the house that during the course of the screening there were some 580 odd files examined, and as a result thereof, and for reasons which could be attributed to the security screening, there were three separations from the board.

Mr. Coldwell: I should like to ask a supplementary question, as to how the screening was carried on in connection with the three employees of the film board to whom reference has been made. Were they given a hearing before their employment was terminated? What opportunity did they have to meet the charges, if we can call them charges, that were made against them? Was any such opportunity afforded?

Mr. Winters: Mr. Speaker, I said the persons concerned were given every consideration. As I have said before, it is a question of trustworthiness, and in that connection I would refer to what Mr. Ilsley said in the house in 1948, that there are no precise tests by which one can judge the matter of trustworthiness.

Mr. Fraser: Were they transferred to another department, or just let out?

Mr. Winters: There was a separation from the board. I have not followed the cases since that time.

OLEOMARGARINE

PRODUCTION IN 1949 AND EFFECT ON BUTTER CONSUMPTION

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): Mr. Speaker, I should like to make a short statement. Last night, in the course of discussion of Bill No. 17 in committee, the hon. member for Souris (Mr. Ross) asked some questions as to the manufacture of oleomargarine in Canada. The Minister of Agriculture (Mr. Gardiner) answered and said that the manufacture of oleomargarine in Canada was better than 3 million pounds per month, making an approximate total of 40 million pounds for the year 1949. Some exception was taken to this statement, and the leader of the opposition (Mr. Drew) asked that the matter be laid over, and requested that I make a statement today.

The total amount of oleomargarine manufactured in Canada last year was 73,958,000 pounds, and owing to the manufacture of oleomargarine the consumption of butter decreased in 1949 compared with 1948 to the extent of three and one-half million pounds per month, making a total of 42,345,461 pounds. It was this figure that the Minister of Agriculture used in his reply to the hon. member for Souris. The remainder of the oleomargarine either went into increased consumption or took the place of lard or shortening.

There were other questions asked by the hon. member for Brant-Wentworth (Mr. Charlton). Unfortunately I have not received yesterday's *Hansard* yet, and I am not sure of the exact questions. I will try to answer them later.

Mr. Drew: As a matter of information, from what source does the parliamentary assistant obtain the figure of the decrease in consumption of butter in relation to the consumption of oleomargarine?

Mr. McCubbin: This is a statement given to us by the dairy officials of our department. I am only taking the figures of the amount of butter used in 1948 compared with the consumption in 1949.

Mr. Drew: After all, a statement of this kind is only useful if the basis upon which it is given is understood. The parliamentary assistant confirmed the earlier answer that was given as to the production of oleomargarine, namely, that 73 million odd pounds were manufactured last year. He went on to explain that the resulting decrease in butter sales amounted to something over 3 million pounds a month. I think it would be helpful to know how that figure can be determined.

Mr. McCubbin: Mr. Speaker, it is just as I have said. I can give to the leader of the opposition the figures indicating the consumption of butter per month in 1948 and the consumption in 1949, in which year there was a decrease compared with 1948. We take the stand that the 73 million pounds of oleomargarine represents what consumers ate, or what was used in place of lard or shortening.

Mr. Cardiff: In the statement just made by the parliamentary assistant, he said, as I understood him, that some 70 million pounds of oleomargarine had been used. I think he meant manufactured, did he not? Did he say "used" or "manufactured"?

Mr. McCubbin: I said that some 74 million pounds were manufactured, and that between 71 and 72 million pounds had disappeared.

Mr. Cardiff: Do I understand, then, that in 1949 we used 72 million pounds of oleomargarine?

Mr. McCubbin: We know how much was manufactured last year and we know what disappeared, by being used as a spread or made into lard or shortening; and some may be still in store. That quantity has disappeared, however.

PRECIOUS METALS MARKING ACT

EXTENSION OF APPLICATION TO ARTICLES OF PALLADIUM

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved the first reading of Bill No. 83 (from the Senate), to amend the Precious Metals Marking Act, 1946.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CATTLE—TESTS FOR T.B. REACTORS—RESTRICTED AREAS

Mr. Bryce:

1. How many T.B. free areas have been established in Canada, by provinces, up to and including 1949?

2. What percentage of the cattle population, by provinces, would this represent?

3. How many areas, by provinces, are being tested this year?

Mr. McCubbin:

1. Number of restricted areas for the eradication of bovine tuberculosis by provinces, established by orders in council up to December 31, 1949: Newfoundland, nil; Prince Edward Island, 3; Nova Scotia, 18; New Brunswick, 15; Quebec, 70; Ontario, 52; Manitoba, 94; Saskatchewan, 169; Alberta, 28; British Columbia, 3; total, 452.

2. Percentage of cattle population by provinces in accepted areas: Newfoundland, nil; Prince Edward Island, 100 per cent; Nova Scotia, 100 per cent; New Brunswick, 100 per cent; Quebec, 83 per cent; Ontario 97 per cent; Manitoba, 76 per cent; Saskatchewan, 52 per cent; Alberta, 16 per cent; British Columbia, 34 per cent.

3. Number of areas tested or under test in fiscal period 1949-50: Prince Edward Island, 3; Nova Scotia, 6; New Brunswick, 2; Quebec, 35; Ontario, 44; Manitoba, 32; Saskatchewan, 39; Alberta, 5; British Columbia, 1.

NATIONAL DEFENCE—EQUIPMENT AT MACDONALD, MAN.

Mr. Sinnott:

1. How much equipment is held by the Department of National Defence at Macdonald, Manitoba?

2. Can any of this equipment be bought for public use?

Mr. Blanchette:

1. 2,250 units of engineering, technical and armoured service equipment including personnel and load carrying vehicles.

2. No. These are required by the Department of National Defence.

NAVY, ARMY AND AIR FORCE—ESTABLISHMENT AND STRENGTH

Mr. Fulton:

1. What is the present actual strength of officers and men respectively in (a) the Royal Canadian Navy; (b) the Canadian Army; (c) the Royal Canadian Air Force?

2. What is the authorized full establishment of officers and men respectively in (a) the Royal Canadian Navy; (b) the Canadian Army; (c) the Royal Canadian Air Force?

Questions

3. What is the present authorized ceiling for recruitment of officers and men respectively in (a) the Royal Canadian Navy; (b) the Canadian Army; (c) the Royal Canadian Air Force?

4. What are the same figures as asked for under questions 1, 2 and 3 respectively, for the reserve navy, army and air force?

Mr. Blanchette:

(As at February 28, 1950)

1. Actual strength:

	Officers	Men	Total
(a) Navy	1,292	8,029	9,321
(b) Army	2,756	17,966	20,722
(c) Air	3,127	14,141	17,268
Total	7,175	40,136	47,311

2. Authorized establishment:

	Officers	Men	Total
(a) Navy	1,399	7,648	9,047
(b) Army	3,019	20,015	23,034
(c) Air	3,490	14,788	18,278
Total	7,908	42,451	50,359

3. Ceiling for recruiting as at present:

	Officers	Men	Total
(a) Navy	1,584	8,016	9,600
(b) Army	3,019	17,981	21,000
(c) Air	3,490	14,310	17,800
Total	8,093	40,307	48,400

4. Actual strength:

	Officers	Men	Total
(a) Navy	906	2,660	3,566
(b) Army	5,985	36,584	42,569
(c) Air	1,103	1,674	2,777
Total	7,994	40,918	48,912

The above numbers do not include 1,153 students in the university naval training division; 2,698 in the Canadian officers' training corps; 693 in the university air training plan; and 309 attending the services colleges, of whom 87 are navy, 131 army and 91 air force.

Reserve establishment for long term planning purposes:

	Officers	Men	Total
(a) Navy	2,925	4,575	7,500
(b) Army	12,600	77,400	90,000
(c) Air	8,120	6,380	14,500
Total	23,645	88,355	112,000

[Mr. Fulton.]

Target fixed for 1950-51:

	Officers	Men	Total
(a) Navy	1,784	2,716	4,500
(b) Army	6,750	38,250	45,000
(c) Air	1,147	4,598	5,745
Total	9,681	45,564	55,245

CANADA-UNITED KINGDOM BACON CONTRACT

Mr. Bryce:

1. For how many pounds of bacon was the 1949 United Kingdom contract?

2. How many pounds did Canada supply up to the 31st of December, 1949, on the 1949 contract?

3. How many pounds did Canada send this year on this 1949 contract at the 1949 prices?

4. How many pounds has Canada supplied on the new contract up to the 1st March, 1950, at the 1950 prices?

Mr. McCubbin:

1. 160 million pounds.

2. Shipped and in cure as of December 31, 1949, for 1949 contract, 100,484,314 pounds.

3. Balance of bacon put to cure in 1949 and cleared from Canadian seaboard in 1950 on 1949 contract, 27,971,592 pounds.

4. Shipped and in cure as of week ending March 4, 1950, for 1950 contract, 3,254,368 pounds.

MARKETING OF AGRICULTURAL PRODUCTS

Mr. Argue:

1. What boards or agencies have been granted authority by the governor in council, under the Agricultural Products Marketing Act, to regulate the marketing of agricultural products in interprovincial and export trade?

2. What products are being handled by each board or agency?

3. What regulations have been passed by the governor in council under section 3 of the act?

Mr. McCubbin:

1. The Nova Scotia marketing board with respect to apples; the British Columbia fruit board; the British Columbia coast vegetable marketing board; the British Columbia interior vegetable marketing board.

2. The Nova Scotia marketing board authority is granted in interprovincial and export trade with respect to marketing apples only.

The British Columbia fruit board authority is granted with respect to marketing apples and tree fruits generally.

The British Columbia coast vegetable marketing board and the British Columbia interior vegetable marketing board have been granted authority with respect to marketing potatoes and other vegetables.

3. No regulations other than those included in the orders granting the authority for each board to extend specific powers in interprovincial and export trade have been approved or are in effect under the Agricultural Products Marketing Act.

COLD STORAGE SUBSIDIES

Mr. Smith (Queens-Shelburne):

1. How many applications were received for cold storage subsidies under the Cold Storage Act, 1907, during each of the years 1946, 1947, 1948, 1949?
2. In each of these years, how many such applications were (a) approved; (b) refused; (c) under consideration?
3. In the province of Nova Scotia, to whom, and in what amounts were subsidies paid in each of these years?

Mr. McCubbin:

1. 1946, 25; 1947, 15; 1948, 32; 1949, 18.

2. (a) approved: 1946, 21; 1947, 10; 1948, 25; 1949, 13.

(b) refused: 1946, nil; 1947, nil; 1948, nil; 1949, nil.

(c) still under consideration: 1946, 4; 1947, 5; 1948, 7; 1949, 5.

3. United Fruit Companies of Nova Scotia, Limited:

Canning: 1946, nil; 1947, nil; 1948, $42,830.87; 1949, $19,987.74.

Coldbrook: (1) 1946, nil; 1947, $38,082.06; 1948, $17,771.63; 1949, $10,155.22. (2) 1946, nil; 1947, nil; 1948, nil, 1949, $37,009.59.

Middleton: 1946, nil; 1947, nil; 1948, nil; 1949, $36,626.90.

Musquodoboit Valley Co-operative Ltd., Middle Musquodoboit, N.S.: 1946, nil; 1947, nil; 1948, nil; 1949, $1,083.41.

ACA Co-operative Association Limited, New Minas, N.S.: 1946, nil; 1947, nil; 1948, $8,198.88; 1949, $3,826.14.

Scotsburn Co-operative Creamery Limited, Scotsburn, N.S.: 1946, nil; 1947, nil; 1948, $4,812.24; 1949, $2,245.71.

MATTHEW HALTON

Mr. Kirk (Digby-Yarmouth):

1. Is Matthew Halton an employee of the Canadian Broadcasting Corporation?
2. If so, when was he first employed by the corporation?
3. At what Canadian Broadcasting Corporation stations has he been employed, and for what period at each of them?
4. Where is he presently employed, when was he appointed, and what are his duties?
5. Does he express views held by the Canadian Broadcasting Corporation?

Mr. McCann:

1. He is employed on a retaining fee basis.

2. June 15, 1943.

3. None.

4. He is based in London, England. He was retained in 1943 as a war correspondent. He is correspondent and commentator.

5. No.

C.B.C. PROGRAM "CITIZENS' FORUM"

Mr. Kirk (Digby-Yarmouth):

1. Does the Canadian Broadcasting Corporation, over its trans-Canada network, carry a program known as "Citizens' Forum?"
2. If so, what is the purpose of this program?
3. Who arranges the programs, and who selects the speakers?
4. Has there recently been, on this program, a discussion concerning pensions for industrial workers?
5. If so, were there representatives of (a) workers or labour unions; (b) management?

Mr. McCann:

1. Yes.

2. To bring to Canadian listeners an exchange of views on public issues and to stimulate discussion among the listening audience.

3. The program is arranged by the C.B.C. in co-operation with the Canadian Association for Adult Education. Speakers are selected by the C.B.C. in consultation with a large number of organizations and individuals.

4. Yes.

5. Different participants spoke from labour and business management points of view.

COAL MINING—ASSISTANCE TO SASKATCHEWAN OPERATORS

Mr. Shaw:

1. Has the government provided any direct financial assistance since January 1, 1940, to establish coal mine operators in Saskatchewan, Alberta or British Columbia, for improvement in efficiency of their operations through rehabilitation or mechanization?
2. If so, what are the names of all such operators, and what was the nature and amount of assistance granted in each case?

Mr. McIlraith:

1. Apart from assistance paid to various western coal mine operators as a war measure and defined in the report of the royal commission on coal, there have been no payments by government of any direct financial assistance to coal mine operators in Saskatchewan, Alberta or British Columbia for specific improvement in efficiency of operations through rehabilitation or mechanization.

2. Answered by No. 1.

FEDERAL AND PROVINCIAL HEALTH LABORATORIES

Mr. Ross (Hamilton East):

Is there any duplication in the work carried out by the laboratory of hygiene and that carried out by the provincial public health laboratories?

Mr. Martin: No. The laboratory of hygiene provides special services to the provincial laboratories which they are unable to supply for themselves, that is, investigation of outbreaks of virus diseases, laboratory diagnosis of virus infections, et cetera.

The provincial laboratories conduct certain routine diagnostic tests on specimens which, though primarily the responsibility of the federal government, would be difficult, if not impossible, to ship to the laboratory of hygiene.

Any possibility of duplication is prevented by the close collaboration and consultation afforded by the technical advisory committee on public health laboratory services. This committee is composed of the director of each provincial laboratory and representatives from the Department of Veterans Affairs and the Department of National Defence, under the chairmanship of the chief, laboratory of hygiene, together with technical consultants as required.

STEEP ROCK IRON MINES—SUBSIDIES

Mr. Coldwell:

1. Is the federal government subsidizing in any way the production of iron at the Steep Rock iron mines?

2. If so, what is the rate of subsidization, and what has been the amount of it paid in each of the last four years?

Mr. Chevrier:

1. As a protection against the possible shortage of iron ore to meet war requirements, the government entered into an agreement with the Canadian National Railway Company in 1942 to assist in the development of this iron ore deposit, under which the government agreed to:

(a) Assist the railway to reduce the freight rate between the mine and Port Arthur, on the first 5 million gross tons of ore handled to the extent of 20 cents per gross ton, to be paid by the government to the railway.

(b) Assume the cost of construction of a railway spur from a point on the Canadian National railway line, approximately 1·5 miles west of Atikokan in a northerly direction to the mine property, a distance of approximately 3·3 miles, and an ore dock at Port Arthur, Ontario, together with storage and connecting trackage to handle the ore shipments.

The Canadian National Railway Company agreed to:

(i) Manage and operate the properties constructed by the government at their own expense.

(ii) Pay the government 6 cents per gross ton on all ore handled over the Port Arthur ore dock to be applied in amortization of the cost, without interest, of the spur, ore dock and track facilities.

(iii) Establish a rate of $1.32 per gross ton for the transportation of the first 5 million gross tons of ore from the mine to Port Arthur, which includes switching and handling charges; $1.12 per gross ton to be paid by the mining company and 20 cents per gross ton to be contributed by the government.

2. Payments by the government of 20 cents per gross ton towards reduction in the freight rate:

Fiscal year	
1946-47	$165,829.95
1947-48	240,536.92
1948-49	136,553.43
1949-50	226,419.33

Payments by the government covering the cost of constructing the spur, ore dock and track facilities:

Fiscal year	
1946-47	$380,818.57
1947-48	43,668.25
1948-49	197,397.33
1949-50 (to date)	22,170.55

Recoveries by the government under the amortization clause in the agreement, being 6 cents per gross ton on ore handled over the Port Arthur ore dock:

Fiscal year	
1946-47	$ 47,749.00
1947-48	72,161.08
1948-49	40,966.03
1949-50	67,925.80

CIVIL AVIATION—SELECTION OF PILOTS

Mr. Whitman:

To what extent does Canada follow the United States, the United Kingdom and the international civil aviation organization in the system of selection of civil pilots from the point of view of physical and mental fitness to assume flying duties?

Mr. Martin: While the Department of Transport is charged with the actual licensing of all civil pilots, the Department of National Health and Welfare advises, by a set medical examination, on the physical fitness of all civil pilot licence holders. Through the Department of National Health and Welfare the civil pilot medical examiners are kept up to date on new advances and requirements in aviation medicine and are given a brief but intensive course in the theory and practice of aviation medicine. Physical fitness standards for civil pilots in Canada are no less strict than those in the United Kingdom and the United States, but are probably more effectively administered as Canada is the only country that has yet given training in aviation medicine to civil pilot medical examiners.

QUESTIONS PASSED AS ORDERS FOR RETURNS

FAMILY ALLOWANCES

Mr. Knowles:

1. What was the total amount paid out in family allowances from April 1, 1946, to March 31, 1949, or during the nearest three-year period thereto for which records are available?
2. What was the total cost of administration of family allowances, not including payments covered by question 1, for the same three-year period?
3. What percentage did said total cost of administration bear to the total amount of allowances paid out?
4. What was the total amount paid out in old age pensions, including the federal and provincial portions thereof, from April 1, 1946, to March 31, 1949, or during the nearest three-year period thereto for which records are available?
5. What was the total cost of administration of old age pensions, not including pensions paid as covered by question 4, but including both federal and provincial administration costs, for the same three-year period?
6. What percentage did said total cost of administration bear to the total amount of pensions paid out?

VEGETABLE OIL IMPORTS

Mr. Hatfield:

1. What quantity of vegetable oil per month was imported into Canada in the year 1949?
2. What countries was this oil imported from?
3. Are there restrictions against the importation of vegetable oil?

Mr. McIlraith: Return tabled.

OLEOMARGARINE—IMPORTS OF VEGETABLE OIL

Mr. Hatfield:

1. Do the importers of vegetable oil for the manufacture of oleomargarine require a permit from the import branch or finance department?
2. What amount of American dollars was furnished to the manufacturers of oleomargarine for the importation of vegetable oils?

MOTION FOR PAPERS

REPORTS TO UNEMPLOYMENT INSURANCE COMMISSION

Mr. Knowles:

For a copy of all reports in the possession of the unemployment insurance commission, dated since September 1, 1949, having to do with unemployment in Canada.

Mr. Cote (Verdun-La Salle): If my hon. friend is willing to allow this motion to be amended by excluding any interdepartmental or privileged papers, we shall be prepared to let it pass.

Mr. Knowles: Could the parliamentary assistant explain what he means by privileged papers in this connection?

Mr. Cote (Verdun-La Salle): I took a good deal of time in the house last week, on a motion similar to this, to explain what was involved in the departmental papers, and I do not think I should repeat what I said at that time.

Mr. Speaker: Is it the pleasure of the house to adopt the motion as modified?

Motion agreed to.

HOUSING

REPORTED EVICTION OF TENANTS FROM PROPERTY IN OTTAWA

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to ask a question which I believe should be directed to the Minister of Resources and Development, though I am not sure. In view of the housing shortage, why are the tenants of a federal government property at 50 Argyle avenue, Ottawa, comprising some fifty adults and one hundred children, being given notice of eviction on June 15 in order to provide, it is alleged, further conveniences for the Supertest Petroleum Company?

Hon. Robert H. Winters (Minister of Resources and Development): This question is directed to me, and I have received notice of it. The answer, so far as Central Mortgage and Housing Corporation is concerned, is that the administration of the buildings in question is the responsibility of the city of Ottawa.

Mr. Coldwell: The city of Ottawa has them under some lease from the government?

Mr. Winters: I cannot say.

Mr. Coldwell: Can the government not intervene and stop these evictions, in view of the housing shortage?

NATIONAL DEFENCE—SEA ISLAND, B.C., AIR FORCE STATION

On the orders of the day:

Mr. G. R. Pearkes (Nanaimo): On March 23 I asked a question of the Minister of National Defence concerning the evictions which were to take place from the emergency housing accommodation at the R.C.A.F. Sea Island station. The minister said he would take up the matter with the Vancouver authorities. Can the acting minister give me an answer now? I understood they were to move out by April 1.

Hon. Hugues Lapointe (Acting Minister of National Defence): I shall take notice of my hon. friend's question and look into the matter immediately.

TRANSITIONAL MEASURES ACT, 1947

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed, from Tuesday, March 28, consideration of the motion of Mr. Abbott

for the second reading of Bill No. 56, to amend the Continuation of Transitional Measures Act, 1947.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, when this debate was adjourned last evening I had pointed out that in addition to the powers conferred by the continuation of the wartime leasehold regulations, which were known as P.C. 9029, very wide powers were carried forward by the continuation of P.C. 8528. I further pointed out that those continuing powers went far beyond the continuation of the board that is necessary for the administration of the rent control regulations and that the continuation of this order provides authority to deal with most of the activities of our people in this country, including their personal services. Last night I said also that it was possible for the government to remove any uncertainty, because the government could, by order in council, revoke any part of P.C. 8528 which is not necessary for carrying on the rent control provisions. I believe such a provision is contained in the act to which assent was given on May 14, 1947. In section 4 of that act we find these words:

> The governor in council may revoke in whole or in part any order or regulation continued in force by or made under this act.

Other hon. members have put forward the argument, as I have, Mr. Speaker, that we should not be dealing with the continuation of this wartime rent control order, but rather with a rent control bill which would clearly define the rights of tenants as well as of landlords. I am sure that proposition is sound; I am sure it is consistent with our established principle of parliamentary responsibility. Nevertheless we are confronted with the inescapable fact that, by virtue of the delay of the government in presenting this measure to the house, there is now no possibility of dealing in a practical way with the alternative legislation which should have been put before us. We cannot fail to bear in mind that this control measure, unsatisfactory though it is, will terminate at midnight tomorrow night. For that reason it is certainly not my intention to oppose the passing of this bill, recognizing, as I do, that unless it is passed there will be no continuation of rent control.

Having said that, however, I do not think that the necessity for continuing the rent control measure in this unsatisfactory form should justify the continuing of measures under a wartime order in council, which places the whole of the human activity of Canada under arbitrary control if the government should choose to exercise it. Last night I expressed the hope that the government would take the simple steps necessary to remove any uncertainty, and revoke every part of that order except the part which sets up the board. It is still possible for the government to follow that course before this bill receives final reading.

Many hon. members do not seem to believe there is any occasion to question the existence of wide powers such as these. They seem to feel that until something has actually been done under orders of this kind, there is no reason for anyone to be greatly exercised about them. Merely by way of illustration, Mr. Speaker, I should like to point out something that has recently been done under other powers, which illustrates the danger of permitting the government to use these loose powers for other purposes than those which were intended.

Doubtless every member of this house has seen reports in the press to the effect that a number of Canadians have been recently denied the use of the mails. This is a matter of greater significance than may appear on the surface. An explanation of what had happened was given by Mr. Turnbull, the deputy postmaster general. The explanation was as follows: Complaints had been received that certain people were using the mail for the purpose of soliciting the purchase of securities of various kinds. According to press reports, Mr. Turnbull explained that upon receiving complaints and examining these circulars, which related to oil development in Alberta, inspectors had been dispatched to examine the properties described. If it was found that what they saw at the property did not conform with the description in the circulars, the department took the step of denying the use of the mail to the people who had been sending those circulars.

This raises an extremely important issue, Mr. Speaker. It is clearly illustrative of the dangers of loose powers of this kind. In effect, what is being done by the postal authorities is the setting up of a securities commission in Ottawa, without any member of this house having given approval to that course. Do not let anyone suggest I am in any way seeking to prevent most effective steps being taken to restrain those who would sell securities, or anything else, by improper methods, or by circulars containing information which does not conform with the facts. But let us see exactly what has happened in this case. Someone has complained that the circulars do not correctly describe the properties or the ventures in relation to which securities are offered to the public. Then, acting as though it were a securities commission, the Post Office Department sends someone to ascertain whether, in his

opinion, the property actually is in accordance with the description. The reason that this practice is so objectionable, Mr. Speaker, is this. There are laws dealing with matters of that kind. The Criminal Code clearly provides severe penalties for the use of circulars which improperly describe a property or ventures in relation to which securities are offered to the public. If circulars have been issued which do not correctly describe the properties or ventures which are referred to, and are therefore misleading the public, charges should be laid under the Criminal Code. I think every hon. member in this house would hope that charges would be laid. In my own opinion, charges are long overdue in regard to a number of the circulars which have been issued with respect to certain properties. But no member of this house has been called upon to say what kind of securities commission he wants set up. No member of this house has been asked to express his opinion as to how wide those powers should be. No member of this house has been told how a securities commission in Ottawa is going to relate its activities to those of securities commissions in the provinces. In fact, no member of this house and no member of parliament has authorized the Post Office Department or any other department to act in this way.

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

Mr. Drew: Yes.

Mr. Sinclair: What relation have these remarks to the actual bill that is now under discussion?

Mr. Drew: In view of the fact that last night, Mr. Speaker, the parliamentary assistant seemed to be wholly unaware of the dangers of such procedures, I was trying to illustrate to him exactly the dangers that are inherent in loose powers of this kind.

Mr. Sinclair: That is most thoughtful of the hon. gentleman.

Mr. Drew: I am giving this information which, I admit, may not greatly help the parliamentary assistant, because it is quite obvious that he has not informed himself—or had not up until last night—in regard to the legislation which is before us. It is for this reason that I am hoping that, by an illustration of this kind, hon. members may be made aware of the dangers of loose powers exercised without the authority of parliament.

I return to the illustration I was giving. Since this is a current illustration, it should be the very kind that would help hon. members to understand why we should be exceedingly careful to see to it that the authority of parliament is respected. I think it must be of some interest to hon. members that these orders restraining the use of the mails by certain Canadians happened to coincide with similar orders made in the United States; it seemed to be a remarkable coincidence that our Post Office Department had acted at the same time as the United States, and in relation to the same people.

So far as I am aware, this parliament has not yet authorized anyone to act under instructions of the securities exchange commission in the United States; and I hope the time will not come when this parliament will ever authorize any Canadian official so to do. By all means let us co-operate to the very limit in preventing the issue of fraudulent circulars or fraudulent documents of any kind. But let us remember that in the United States there are procedures which have no place in this country under our legal system. Let us remember that the United States have a practice of issuing in a loose way orders which deny certain rights to citizens and which do not bear any resemblance to any procedure we have. In Canada we insist that our citizens be able to have their rights determined before the courts. In this particular case the Post Office Department, doubtless believing that it is acting in the best interests of the public, is exercising powers which were never extended intentionally by parliament, and is doing indirectly something that I am convinced parliament would not authorize.

I give that illustration because it indicates exactly the sort of thing that can happen under the wide powers granted and continued under this act, not in relation to rent controls but in relation to other matters—in relation to the control of personal services, the handling of goods, and other activities. I can only repeat that the government should not leave these powers in such a position that they can be put into effect by anyone and that Canadians may find themselves being dealt with under a procedure which denies to them the ordinary access to the courts.

I am not going to introduce an amendment, for the simple reason that, because of this confused procedure being followed by the government, we are dealing with an act which merely continues an order in council that could be revoked this afternoon. Consequently it is almost impossible, from the practical point of view, to deal with this particular subject. It is like dealing with quicksilver. This afternoon we might introduce an amendment dealing with a particular aspect of this matter, and it could be disposed of by order in council, as it should be. I present

these arguments merely in the hope that the government, before this bill is finally dealt with, will remove from this continuing P.C. 8528 all those powers which do not actually relate to the setting up of the board which is necessary for rent controls.

Mr. M. J. Coldwell (Rosetown-Biggar): I shall not detain the house for more than a few minutes, Mr. Speaker. For reasons that the hon. member for Winnipeg North Centre (Mr. Knowles) gave in his speech yesterday, and for some of the reasons which the leader of the opposition (Mr. Drew) has placed before the house today, I believe that we should be considering a statute in which the powers relating to rent control would be clearly set out. Nevertheless, for the reasons the leader of the opposition gave a few moments ago, and because of the pressure of time—although there is still time for the government to reconsider its position in this respect—we propose to vote for the bill as introduced.

What I really rose to do, sir, was to pursue a question that I asked this afternoon of the Minister of Resources and Development (Mr. Winters), because it comes under the head of housing accommodation and rent controls. I have now a more complete written answer from the minister, which was handed to me a moment ago by a page boy, upon which I wish to make one or two comments. After all, rent control is a minor matter when we consider the need for housing accommodation. In his answer to the question I asked today with regard to the eviction from 50 Argyle avenue in this city of some fifty families and one hundred children, the minister said that the responsibility for the administration of emergency housing at 50 Argyle avenue, which was erected during the war on real property leased to the crown by a petroleum company, is in the hands of the city of Ottawa. What I wish to do is to comment on the part of the answer that the minister did not read, and which states:

> At the conclusion of hostilities the Argyle barracks was leased by Central Mortgage and Housing Corporation to the city of Ottawa for use as an emergency shelter accommodation.

Consequently it appears that this property was leased by the crown during the war and again was leased after the war by a crown organization, namely, Central Mortgage and Housing Corporation. What I am anxious to find out is how long this lease lasted; is it still in effect; and why, in view of the rental and housing conditions in this city, a piece of property housing fifty families is being returned to a petroleum company which, according to the information I have, merely desires to turn it into a parking place for automobiles. It seems to me that the need of the people to park themselves and their children is much more urgent than the parking of automobiles.

I appeal to the government to look into this matter, to reconsider it, and to see that while the housing shortage lasts in this city, both emergency accommodation of this kind and ordinary accommodation for rent are made available to hard-pressed families and not handed over to a petroleum company for the parking of automobiles.

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

Mr. J. M. Macdonnell (Greenwood): No. Now that it is apparently clear that the government is prepared to disregard—indeed I might say treat with studied contempt—the serious legal argument which was put before this house last night by the leader of the opposition (Mr. Drew), and by the hon. member for Eglinton (Mr. Fleming), I should like to say a word or two about it.

I must confess I hoped that the matter would not have been dealt with in this way. In the last parliament, when the majority was not so great, it would not have been dealt with in this way. But now we are getting used to the experience of having this house treated with what I think it is no exaggeration to characterize as studied contempt.

I just wish to point out that this argument was made last night in what seemed to me to be a cogent way. I do not propose to repeat it; I just wish to draw the attention of the house to what happened. Was the argument answered by any of the eminent gentlemen of legal talents who occupy the government benches? No, it was not.

Mr. Sinclair: They have not had a chance.

Mr. Macdonnell (Greenwood): You have that chance today. That is why I am making the point.

Mr. Sinclair: The hon. gentleman knew I wanted to rise. He rose first. I gave him the courtesy to go ahead.

Mr. Macdonnell (Greenwood): I am sorry; I did not know the hon. gentleman was going to rise. I waited until the Speaker was on his feet. I suggest he might have escaped this speech, which he may not altogether like, if he had been a little more prompt in rising. I waited, as I say, until I thought everyone was through, until the Speaker was on his feet. If I had any reason to suspect that the hon. gentleman was going to speak—

Mr. Sinclair: I want to tell the hon. gentleman that to get ready for my speech I spent all morning in reading over the

speeches of the hon. member for Eglinton and the hon. member for Carleton (Mr. Drew), and that was no pleasure, I can tell you.

Mr. Cruickshank: Two Rhodes scholars ought to be good.

Mr. Macdonnell (Greenwood): We will listen with interest to what the hon. member for Coast-Capilano (Mr. Sinclair) is going to tell us. But with the array of legal talent that we have on the other side, it seems to me that we might be entitled to have someone speak who has been legally trained—not that I am trying to exaggerate legal training entirely. I had a little myself once, but it has mostly faded away. It may be of course that the hon. member for Coast-Capilano was going to read us an opinion from the Department of Justice, which, if he does, will qualify what I have to say.

Mr. Sinclair: I will not.

Mr. Macdonnell (Greenwood): If we are going to have merely the opinion of the hon. member for Coast-Capilano in answer to what was said here last night, all I can say is that it will have as much value as my opinion on how best to construct the bridge which I understand recently fell into difficulties in the constituency of the hon. gentleman who is going to speak next. But I will say this for him: whatever he says he will say with that tranquil consciousness of effortless superiority which endears him to us. He is probably familiar with that phrase; I did not invent it.

Mr. Sinclair: It was invented thirty years ago in the Oxford union; it has a beard on it.

Mr. Macdonnell (Greenwood): I want to say one or two things. I shall be brief, because I am looking forward very much to the speech of the hon. member for Coast-Capilano. I am only sorry that I got ahead of him purely by accident. I would never do it wittingly; but I just want to make two points.

First of all, the leader of the opposition has made clear beyond peradventure the danger that there is with power lying about loose. I am sorry if the hon. member for Coast-Capilano did not understand the illustration given. In case he did not understand it, he can easily get one by looking back over the proceedings of this house. If he will look at *Hansard* of December 16, 1947, he will find a reference there to action taken by the Minister of Finance of this very kind, namely, powers exercised that this house had been assured were not residing in the legislation, and which to the surprise of everybody, apparently to the surprise of the ministry itself, were found to reside there, and were used, as the hon. member will recall, with great effect.

The second thing I want to say is this: This kind of treatment is part of a pattern that we are growing used to. I give one illustration; it has been in my mind ever since it happened, and I shall never have a better opportunity to get it off my mind than now. When this house opened in February the Prime Minister (Mr. St. Laurent), in a nonchalant way, undertook to invade one of the traditional privileges of this house, namely, the priority of the address in reply to the speech from the throne. The leader of the opposition, in what I thought was a quiet, cogent, well reasoned speech, suggested that he should not have done that. In the course of his speech he also quoted some cogent phrases from the former prime minister of this country, whose opinion at one time was highly regarded by hon. gentlemen on the opposite side of the house. I am not really complaining primarily that the views of the leader of the opposition, or of the former prime minister of Canada, were not followed; what I am complaining about is that that argument was not answered. All the Prime Minister said in reply was that he thought it was more convenient to proceed otherwise, and he did not deign to answer the argument which I thought any fair-minded man would say was a cogent one.

I suggest, Mr. Speaker, that this is part of a pattern; that is the kind of thing that we are getting used to in this house, and apparently we have to go on being used to it as long as there is this huge majority which will vote right. The only other thing I have to say is that I am very sorry I had to make this speech without the benefit of hearing the speech of the member for Coast-Capilano. I presume we shall now hear from him.

Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, the last two speakers have started off by saying that their remarks were to be brief, and their remarks were brief. I, too, would have made my remarks brief except for a few things that happened last night. The Liberal members of this house have been put in an unfortunate position by the pressure of government business. Because we have no desire to stop the passage of these bills, which must be through before the end of the month, we have sat here in silence, a silence which has apparently passed for assent. At the same time the members of the opposition, as is their parliamentary right, have made long and protracted speeches about many things, working many things into many bills, as for example the leader of the opposition worked section 7(b) of the Postal Act into the act on transitional measures.

Last night at about ten minutes to eleven the leader of the opposition had just about concluded his remarks. I indicated to the house leader that I would try to finish the bill out in ten minutes, in which event it would have been over to the Senate today. However, the hon. member for Grenville-Dundas (Mr. Casselman) made some remarks to the leader of the opposition which encouraged him to continue for the ten minutes.

Some hon. Members: Oh, oh.

Mr. Sinclair: I am going to give proof of this.

Mr. Drew: Mr. Speaker—

Some hon. Members: Take it.

Mr. Drew: Mr. Speaker, I am sure we shall listen to a number of extremely remarkable statements, but that is the most remarkable that I have heard yet, and one that has no relation to the truth.

Mr. Sinclair: The few hon. members who were here last night will recall the circumstances, as will the house leader and the leader of the opposition. I have brought in a little documentary proof, because I know from long past experience that the leader of the opposition generally substitutes a flat assertion for argument. If he takes *Hansard* —*Hansard* is not yet out—I went up to the *Hansard* office to get the manuscript—he will see that after concluding his main remarks from ten minutes to eleven until eleven o'clock he regaled this house, with obvious personal relish, with excerpts from his old speeches, a peculiar form of narcissism to which he is frequently addicted.

Mr. Fleming: What about Mr. Mackenzie King?

Mr. Sinclair: May I tell my hon. friend that I spent all morning reading his many speeches, all really the same speech, but I shall come back to him in ten or fifteen minutes. The first thing I should like to do is to speak to the bill which is now before us. I should like to give a short history and some reasons why after eight years we are asking for the last thirteen months continuation of the few measures which are still in effect.

This bill really stems back to the War Measures Act which was passed in 1914 by the Borden government. That was a most necessary measure and gave the government of that day wide powers and the ability to act speedily and with flexibility on the very grave and pressing problems which occur in wartime. Then at the end of the war, in 1918, the Conservative government of that day did not repeal the War Measures Act, but continued to use it—it was a matter of judgment—to enable them to hurdle the transitional period which always comes after the end of every war. The War Measures Act remained on the books then for 20 years and it was again made effective on September 1, 1939, when a state of war with the German reich was declared by this government although the actual declaration of war awaited action by parliament.

Looking back I think it was very useful that the War Measures Act had remained on the statute books of Canada for that period. The government of the day had the power to take action quickly. Under the War Measures Act as it was reinvoked in September, 1939, the government had wide powers to deal with the many emergencies which promptly arose. One of the first, of course, was the great dislocation in the ordinary economy of this country caused mainly by the artificial shortages which had occurred from the channelling of labour into the armed services and into war industries which resulted in shortages of materials and supplies. Therefore, it was necessary to impose controls which we would normally regard as unjustifiable in a free economy, controls to ensure that our economy would remain on an even balance, controls to ensure that everyone in this country would have a fair share at a fair price of what goods there were.

I think the system of price control built up by the Right Hon. J. L. Ilsley and administered by Mr. Donald Gordon was the best in the world and it certainly won the admiration of the Canadian people; not perhaps all those who are professional politicians, but the little people of Canada who were protected by these controls.

In 1945 the Liberal government of that day, unlike the Conservative government of 1919, did not continue in effect the War Measures Act. On the other hand, they said that the time had come to come back to parliament for further authority, which they did in the fall session of 1945 after winning a really democratic vote of confidence of the people of Canada in their conduct of measures like this. I should like to read the preamble to the National Emergency Transitional Powers Act, as follows:

> And whereas during the national emergency arising by reason of the war against Germany and Japan measures have been adopted under the War Measures Act for the military requirements and security of Canada and the maintenance of economic stability; and whereas the national emergency arising out of the war has continued since the unconditional surrender of Germany and Japan and is still continuing; and whereas it is essential in the national interest that certain transitional powers continue to be exercisable by the governor in council during the continuation of the exceptional conditions brought about by the war—

This is the important part of the statement:

—and it is preferable that such transitional powers be exercised hereafter under special authority in that behalf conferred by parliament instead of being exercised under the War Measures Act;

So we had the first of the transitional powers acts coming forward, as hon. members who were here will recall, in the fall session of 1945. It extended the powers for one year because even then the government was hopeful that the transitional period would pass quickly and did not ask for any longer extension of time. By 1946 conditions had improved to some extent as far as the free flow of goods was concerned and added relaxations were possible. A further extension was needed and the government of the day came to parliament and asked for an extension of one year.

Then in 1947 a large-scale revision was made. We were then two years away from the war. The hundreds of orders in council and directives which were in force during the war were reduced to fifty-seven and they were appended as a schedule to the bill. There was discussion in parliament at that time on every one of those orders in council and because of the action of members of parliament the number was cut from fifty-seven to fifty. When some hon. members say loosely that parliament has not seen these orders in council, may I remind them that every one passed in detail through this house as a schedule to the bill of 1947. The only changes made since that time in any of those orders have been by means of amending orders to restrict the powers given to the government under that bill.

In 1948 a further revision was made and there was an extension of time again for a year. Most of the wartime controls had now gone by the board. At that time the Conservatives were saying that we were too slow and should do what the United States was doing and eliminate most of the controls. At the same time the C.C.F. members were crying that we were going too fast, that we should hold on to the controls. We took the middle course and once again the people of Canada showed their approval of that course in the general election of 1949.

In 1949 we came and asked for one more year. At that time the hundreds of wartime orders in council which had dropped to fifty in 1947 was down to twelve. We asked for a time extension until March 31 of this year. This whittling-down process of controls and rationing continued as goods came into ample supply on the market.

We now come back to parliament in 1950. Last week the Minister of Finance (Mr. Abbott) stood in his place and told parliament that this would be the last time extension we would ask for. This bill provides for a thirteen months extension to end the few controls which are now in effect. More than that, the number of orders in council is to be cut to six after April 1. We are in sight of the end of our policy of orderly decontrol.

The people of Canada realize this. The change in this country has been quite uniform. Some people may say that certain controls were taken off too rapidly, but in looking back at the whole picture I think that we have conducted our policy of orderly decontrol, trying to get back to the old free relations between buyer and seller, in sound fashion.

Both the putting on of controls and the carrying on of orderly decontrols took courage. The people of Canada have often paid tribute to the great courage and the high integrity shown by the Right Hon. J. L. Ilsley and Mr. Donald Gordon in the matter of building up and administrating the wartime prices and trade board which did this great job. I do not think that enough recognition has been paid to the less glamorous but equally difficult job which has been done by the present Minister of Finance and Mr. K. W. Taylor in carrying out our decontrol policy. Today we have cut down from 6,000 employees, which was the peak, and many hundreds of orders in council, to the present six orders in council and 750 employees, of whom 500 are in rental control in the field and 250 are dealing with rental control problems and in the import quota branch here in Ottawa.

Another interesting thing has been the great change in the attitude in the house toward this matter. Only five hon. members in all have spoken on the two stages of the resolution and on the motion for second reading of this bill, and since last Friday the department with which I am associated has received not one single letter as a consequence of the announcement on decontrol then made by the Minister of Finance. Hon. members will recall that when previous controls were taken off alarms were stirred up in this house and it was said that the government had lost the confidence of the people. That is what happened at the end of every rationing or other control. Yet six months later things had levelled off and the country had taken one step more back to what we regarded before the war as being a free economy, and members had forgotten their original unfounded fears.

I can remember being alarmed myself once and how I caused quite a bit of trouble to the minister in connection with the decontrol of commercial accommodation which occurred a year and a half ago. I was sure that that was a most premature step, and spoke strongly against it. Yet as a consequence of this action, within six months new office buildings had been built across the country and good space was available. Landlords who had been

getting exorbitant rents for old space because nobody was building new space or stores were having their rents hammered down to what they should be as decent space became available. Today we hear no demand across the country for a return to commercial rental controls.

I finish by saying that all this bill is is a last step in this eight-year program of necessary economic control which was a consequence of our entry into the war. Each year since 1945 we have been whittling away at these orders in council. It is true that we had great powers under the War Measures Act; it is true that we had the considerable powers given to us in the first transitional powers act of 1945; but these powers are now almost all gone and twice since that time we have gone to the real court of last resort, the people of Canada, for an indication of approval of those policies, in 1945 and 1949. I want to tell hon. members—

Mr. Knowles: A minority vote both times.

Mr. Sinclair:—that there is no part of the entire government program which came closer home to the little people of Canada, the people of my constituency because I represent an industrial riding, the worker and his wife who are trying to raise a family. It is these people whose confidence in this government's policies was responsible for the return of the government with the greatest majority since confederation, for the reduction of the Conservative party and the almost total obliteration of the C.C.F.

Mr. Knowles: A minority vote both times.

Mr. Sinclair: I know the hon. member for Winnipeg North Centre (Mr. Knowles) is most anxious to get on his feet. In my notes, which I am sure the hon. member for Greenwood (Mr. Macdonnell) will concede I did not write in the moment or two he was speaking, my next heading is "Knowles". I must start off by making an apology to the hon. member which I hope he will take in good faith. I have already spoken to him privately on the matter. The other evening when the minister handed me the bill there was attached to it a mimeographed sheet from the privy council office headed "Schedule to the act". After all, as the hon. member for Greenwood pointed out, I am not a lawyer and I naturally assumed it was the schedule to the bill now before the house. It is actually what remains of the effective schedule to the act of 1947. In past years the courtesy has been extended of having the actual remaining orders in council placed on *Hansard*. I thought I was also extending a courtesy although it has not been very gratefully received by the hon. member. I want to point out, however—

Mr. Knowles: Just a minute. I am quite prepared to accept in good faith the apology the hon. member is making, but he had better make it in good faith and admit that he did not just say the other night he would place it on *Hansard* but that it would be a schedule to the bill.

Mr. Sinclair: I said it would be a schedule to the act because at that time I assumed it would, particularly as it was headed "Schedule to the act". It is actually a summary of what is left in force of the fifty orders of 1947, the twelve of which are remaining in effect until tomorrow night and six of these which will remain in effect after tomorrow night. It has been suggested by the hon. member that we should place the schedule in the bill. I am informed it has never been the custom to repeat things which are not being changed in an amending bill. Under section 4 of the act of 1947 there is provision for the revoking of orders, and as the years have passed by the schedule has become smaller and smaller as orders have been revoked.

I quite agree with the hon. member that even with the schedule there is not very much there which will be of help to a layman, but I want to say something on that point. The remaining orders in council are not going to be imposed on any citizen of the country who has never seen them before. Today every tenant in Canada under rental control has been under rental control for at least three years, and most of them for six, seven or eight years. It is three years ago since new buildings were decontrolled. Therefore all tenants are quite familiar with their old rights under the big schedule, and as these various orders in council have been removed tenants have remained quite familiar with the few restrictions left. If they are not entirely familiar, as was pointed out, they can go to the local rentals offices. It is quite true, as the hon. member for Greenwood pointed out, that every government officer does not necessarily know all about the law. I have reminded him that there are not many lawyers who know all about the law.

Mr. Macdonnell (Greenwood): Will the hon. member permit one comment? I want to make it perfectly clear that the only thing I had in mind was that the parliamentary assistant last night undertook to answer a purely legal question. I am not sneering at all at his knowledge of the general situation. My comment was directed to the fact that he undertook to disagree with competent lawyers on a purely legal question.

Mr. Sinclair: The hon. member has misunderstood the point I am making. Last night, in commenting on what the hon. member for

Winnipeg North Centre had said, the hon. member for Greenwood said that often the officials in the rental offices do not know all the law. I am pointing out that if everybody in Canada knew all the law, certainly if the ordinary layman could pick it all up from the law books, read them and understand them, there would be no business for lawyers, and that might be a good thing for Canada.

The next point made by the hon. member for Winnipeg North Centre was that the people of the country are going to be left high and dry in 1951 with the end of federal rent control. I should like to remind him that the problem of rent control can be properly handled by the provinces, and I was going to say his own province, but the province of his heart's desire, Saskatchewan, has taken such action.

Mr. Knowles: Tell me what they do in my own province of Manitoba.

Mr. Sinclair: I want to say more than that. If further decontrol is necessary over the next thirteen months then the bodies which can do it best are those governments which are closest to the people, the provincial governments. In my own riding of Coast-Capilano there are two areas, north Vancouver and west Vancouver, where rental control is certainly still necessary, but there is a great area from Horseshoe bay to Powell river where there is no need for rent control today. After all, the provincial governments are closer to the people and to local problems, and if they desire to do so next spring they can move into the field and perhaps institute the process which is the reverse of the one we have commenced, that of partial decontrol, only in the necessary areas.

The hon. member also mentioned the complexity of these orders in council and he reeled them off. Actually the whole trend is the other way. Not one of the amending orders in council which I put on *Hansard*, no amending order after 1945, was an expanding order. Every one was an order stripping away and restricting power. Therefore, rather than being more and more complex, these orders are continually diminishing. Of course that is the whole intent of the policy of orderly decontrol. Finally he asked—and I think rather naïvely—why we did not put the whole thing in one act in simple language that every layman would understand. It may be heresy, but I had to consult a legal authority on this question. He immediately pointed out that today the whole problem is not entirely our problem. It is complicated by the landlord and tenant laws of every province, and even if we had the right to do so we could not produce a simple understandable law effective in every province which every layman would immediately know designated his rights as to the entire matter of rents. As I pointed out, every tenant who is affected by these orders in council today has been affected for at least three years, and most of them for eight years. They certainly know their rights, and they know where to go if they need further information.

Let me turn to the remarks of the hon. member for Eglinton (Mr. Fleming). I hope he will pardon me if I do not spend very much time on them for the reason that we have heard the same speech for the last four years. I did not quite realize how similar his remarks were until I spent this morning in the library thumbing through the debates on this measure in 1945, 1946, 1947, 1948 and 1949. I picked out a few of his words which he has used in every speech, lovely words such as "centralization", "dictatorship", "bureaucratic invasion", "unwarranted invasion of provincial rights", "sweeping totalitarian powers", and this lovely one, "assassination of the constitution". The funny thing is that when the hon. member works himself into a frenzy of indignation in the house he is never amusing, but it is very amusing to sit in the quiet of the library four years afterwards and read how the act of 1945 was going to assassinate the Canadian constitution.

Mr. Fleming: Which 1945 act do you mean, the act that was passed or the bill that the government introduced and then withdrew under a storm of protest?

Mr. Sinclair: Let me turn to the leader of the opposition (Mr. Drew). I take considerable pleasure in analysing his remarks. I notice that he is busy writing but I know he is also listening. His was the old, old thesis that we have heard so often in the short time he has been in the house. He says that what we are doing is the right thing but we are doing it in the wrong way. I am sorry that we have not all received yesterday's *Hansard*, but I have the manuscript. Last night the leader of the opposition said there was no disagreement about the purpose of the things we are doing, and then he went on to say:

> But there should be disagreement on the part of every member of this house with the procedure that is being followed . . .

Let us look at the procedure now and see whether we are doing the right thing but in the wrong way. He makes his usual tacit assumption of course that the only right way to do anything in Canada is the way George Drew wants it done. The people of High Park and the people of Canada showed most distinctly that they do not want things done the way George Drew wants to do them, but do want things done the way this government has done them since 1935. His suggestion at

this time is that what we need is a new bill, a complete bill covering the present rental control, so everything will be clearly stated, in orderly language. He wants a new act of parliament. I am going to refer to a legal authority, and I hope the hon. member for Greenwood (Mr. Macdonnell) is listening. This is not the Department of Justice, but an authority that I am sure even he will respect. It is the Supreme Court of Canada, which passed on this very problem by reference on March 24, 1950. The opening clause of the judgment, of course, is familiar to all. The chief justice said:

> There is no doubt that under normal conditions the subject matter of rents belongs to the provincial jurisdiction under the head of property and civil rights, in section 92 of the British North America Act.

Then he goes on and discusses various leading cases, and then comes to the summation of his opinion and that of the other justices:

> . . . in the circumstances, this court may not doubt that parliament may competently . . .

Then listen to these words:

> . . . maintain the regulations it has adopted to meet the emergency and its continuance.

Notice the words "maintain the regulations".

And listen to this:

> Therefore the wartime leasehold regulations are not *ultra vires* either in whole or in part.

Again, that is the present regulations which have worked so well for the last eight years.

Suppose at this eleventh hour, after eight years of satisfactory administration under this series of acts, we had brought in a new act this session. Hon. members on this side of the house and in the other corner know what would have happened. The leader of the opposition (Mr. Drew) would have risen and thundered with all his eloquence that here the shilly-shallying government had changed its mind at the eleventh hour. He would ask, what was wrong with the old way? It had done well for years. But the hon. member for Eglinton (Mr. Fleming) would be in a much better position; after five years he would have something new in his speech. He would say we are not only deceiving the people of Canada, we are not only deceiving the parliament of Canada, but now we have tricked the supreme court because we gave them one set of regulations and as soon as they said they were intra vires we whipped in here and passed a new bill, which would be permanent.

I think it is necessary to have a return to reality, a return to the people of Canada. The laws of this country are not made for lawyers; they are made to serve the people. The people have been well served by the policies of the wartime prices and trade board since 1941, operating under this act. The people know the policy of this government has been one of orderly decontrol, and it has been successfully carried out. The people know also that we are rounding out that policy, and this bill is now only asking for an extension for thirteen months of these six remaining effective orders. If the Conservative party wants to delay the passage of this bill beyond tomorrow night, and end all rent control, the people of Canada will know that, too.

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

On section 1—*Duration of act.*

Mr. Knowles: Will the parliamentary assistant give us more information, or at least clarify the information he gave us during his oration a few moments ago, in regard to the number still in the employ of the wartime prices and trade board. Perhaps he can tell us again the total number, and then how many of those are engaged in the administration of rent control and how many are engaged in matters that come under other regulations.

Mr. Sinclair: The information I have is that the total number is approximately 750, of whom 250 are here in Ottawa either engaged in rental control work—though that is a minor matter here—or in the import quota system, which also comes under the assistant deputy minister, Mr. Taylor. The other 500, which is a round figure that changes as the work decreases, are in rental offices across Canada.

Mr. Knowles: Those in the rental offices across Canada, the 500, are concerned only with rental control?

Mr. Sinclair: That is my information.

Mr. Knowles: Then I take it there are no employees who could administer any of these sections in the wartime prices and trade orders in council that are being carried forward in dead letter form?

Mr. Sinclair: This is perhaps not relevant to the section, but I am glad to give the information. One reason everything does not relate solely to rents is the fact that we still have a few carry-overs, such as appeals and convictions, under the prices board. Under the Commodity Prices Stabilization Corporation there are some appeals from the refusal of subsidies, and some of the employees—not across Canada, but here in Ottawa—are still engaged in that work.

That is why it was necessary to carry forward those orders, not to impose new controls or grant new subsidies but to clean up the odds and ends of that work that still remain.

Mr. Knowles: There was one other question. In replying to my remarks the parliamentary assistant dealt with the argument I had put forward that an attempt should be made to put into this statute a boiled-down form of the law as it now stands with respect to rent control. It seemed to me that he argued two ways. On the one hand he argued that it was too complex to put into a statute, and on the other hand he told me that most of the subsequent orders in council and board orders had been for the purpose of lessening the regulation and control and thus making the situation more simple. If his latter argument is so, surely it would be a simple matter to put it into statutory form. He knows as well as I do—and both of us may be grateful that we are not lawyers—that there are such things as office consolidations. In fact office consolidations are in existence now as far as these rental regulations are concerned. There is an office consolidation of P.C. 9029, which is the basic rent control order in council. That office consolidation sets out P.C. 9029 in the form in which it would be if you worked into it all the subsequent amendments. Board order 800, which I believe is the basic board order with respect to rent control, has been amended by subsequent board orders, and there is in existence an office consolidation of that. I am not suggesting it is necessary to change the rent control law to bring in something different from what was approved by the supreme court, but would it not be possible to produce what in effect would be an office consolidation of the law as it now stands and write that into this statute so people could see exactly what the law is?

Mr. Sinclair: I cannot add anything to the argument I made. My argument on the complexity of the rental law was based on the fact that we have ten provinces with different landlord and tenant laws which also would be involved in any complete analysis for a layman.

Mr. Knowles: That is the situation now.

Mr. Sinclair: That brings me to my last point. For the last three years the tenants and landlords of Canada have been working under these very regulations. Why should we, in the last thirteen months, go to the expense, if you will, or have the innovation of introducing a further consolidation? If this were an expanding control of course we would do that, but it is a control that has been constantly whittled down so that now it consists of only six orders, all of them now in effect and all well known to the people who have been affected by them for the last three years. Neither I nor the members of the government can see any real purpose that would be served.

Mr. Knowles: The parliamentary assistant and I represent constituencies in which there are areas where rent control is of concern to the people. He says that is so in only part of his constituency, but it affects the people in all parts of my riding. In view of the fact that the federal government is going out of this field in 13 months, does the parliamentary assistant recommend that his provincial government in British Columbia and the provincial government in my province of Manitoba get ready to take over the matter?

Mr. Sinclair: Mr. Chairman, there is an excellent rule about minding your own business. I believe that is the course I would follow so far as the provincial government of British Columbia is concerned. The hon. member can govern himself accordingly.

Mr. Knowles: Is the hon. member saying that he minds his own business so far as the provincial government of British Columbia is concerned?

Mr. Sinclair: I certainly do.

Mr. Knowles: I thought he fathered it.

Mr. Sinclair: You never saw me on a coalition platform.

Mr. Fleming: I should like to bring the parliamentary assistant back to some of the simple aspects of the argument advanced by the leader of the opposition and myself last night, and which the parliamentary assistant has completely overlooked today.

Mr. Sinclair: On a point of order, Mr. Chairman, we have been through the resolution stage and second reading of this bill. We are now in committee on the one clause of the bill which says the intent is to change this one date to April, 1951. I suggest that to be in order the hon. member must say it should be one month, twelve months, or thirteen months. On this clause, he has not the right once again to wander over the entire field, and give us the latest version of this four-year old speech.

The Chairman: The hon. member must direct his remarks to the clause under consideration.

Mr. Fleming: That is precisely what I am doing, Mr. Chairman. While the parliamentary assistant was putting on this interesting matinee performance, he ignored the fact that unnecessary but very sweeping powers continue, and that statutory effect

will be given to those orders in council. He has said that these six orders in council are part of the schedule to the 1947 act. One does not find the text of them there, so he was completely astray of the mark.

Mr. Sinclair: There is a list of them there.

Mr. Fleming: But one cannot find the text of them in the 1947 act. All one finds is the number of the order, the title of the order, and the date of its passing.

Mr. Sinclair: So what?

Mr. Fleming: If my friend can restrain himself, with effort, for a moment, then we shall get on with this problem. I should like to put some questions to the parliamentary assistant designed to elicit from him such information as may be in his possession. He has assured us he has all the information the government possesses concerning the necessity for some of the provisions in at least one of these orders in council referred to in the schedule to the act.

The effect of the section now under consideration will be to extend, for a period of thirteen months, this Transitional Measures Act. Will the parliamentary assistant turn to this important and sweeping order P.C. 8528, which was passed to meet the war emergency when it was at its height. I am going to invite him to direct his attention to section 4 of the order, subsection (1), paragraph (a):

> 4. (1) The board shall have power
>
> (a) to investigate, of its own motion or on complaint, costs, prices, profits and stocks of goods and materials of any person engaged in the manufacture, importation, exportation, production, storage, transportation, supply or sale of any goods or services or any alleged or apparent offence under these regulations, and for the purpose of any such investigation the board shall have all the powers of a commissioner appointed under the provisions of the Inquiries Act;

Mr. Sinclair: Will the hon. member repeat the section?

Mr. Fleming: Section 4 (1) (a) of order 8528, appearing on page 22 of the consolidation that was used in 1947, but is not part of the statute.

Mr. Sinclair: I am informed that this is actually the section to which I referred in my speech, and to which I referred in answering the member for Winnipeg North Centre. Certain claims for subsidies under the stabilization act have been made, and if this section were removed there would be no authority to pay those claims, or refuse those claims for subsidies paid by the Commodity Prices Stabilization Corporation. That corporation, of course, had to have the power to investigate the books of these companies which applied for subsidies to make quite sure the companies had obeyed the price regulations.

Mr. Fleming: That is an extremely interesting answer. You see, it has nothing whatever to do with rent control. The amazing fact is that, while the whole case built up for the continuation of this order in council was the necessity for continuing rent control, when one specifically examines these sweeping orders, one is given an answer indicating this important provision has nothing whatever to do with rent controls.

Mr. Sinclair: The hon. member will remember that the minister told him that when he made his statement.

Mr. Fleming: I think it is the rule, Mr. Chairman, that only one member at a time should be on his feet. We are told now that this measure has something to do with subsidies, something completely foreign to the statement made by the minister and by the parliamentary assistant in relation to this bill; very interesting indeed, sir.

Let us now turn to the next one to see what that has to do with paying subsidies. I ask the parliamentary assistant what necessity there is for continuing this sweeping power in the wartime prices and trade board. I quote paragraph (b):

> To enter any premises and to inspect and examine any or all books, records and stocks of goods and materials in the possession or control of any person and to require any such person to produce such books and records at any place before it or before any person appointed by it to investigate, and to take possession of and remove any or all such books and records;

What is the necessity for continuing that sweeping order for a further period of thirteen months?

Mr. Sinclair: If the hon. member will just settle down, he will realize that the answer to this question is exactly the same. The minister in his statement pointed out, as I did, that, whereas the principal purpose of this order in council is for rent control, nevertheless there is this cleaning up process as well. There are still 7 or 8 employees of the Commodity Prices Stabilization Corporation who are engaged in that task of paying out the last claims, the challenged claims, for subsidies under the price control policy. If we did not have this authority to continue the investigation, then those claims could not be paid.

Mr. Fleming: Again, a very interesting answer, read in the light of the statement made in this house by the minister last Friday which can be found at page 1089 of *Hansard*, March 24. He said:

> Therefore the practical effect of the proposed bill is to continue the authority to control rentals only, for a further period.

Perhaps if we go farther we shall obtain a little more information about some other

powers besides rent control that the government is proposing to retain in favour of the wartime prices and trade board. Let me read paragraph (c):

To require from time to time any person who manufactures, imports, exports, produces, stores, supplies, sells, buys, acquires or accumulates any goods or services to furnish in such form and within such time as the board may prescribe written returns under oath or affirmation showing such information as the board may consider necessary with respect to such goods or services;

I ask the parliamentary assistant, what is the necessity for continuing that sweeping power for a further period of thirteen months?

Mr. Sinclair: The answer to the hon. member is the same as that which I just gave. It is necessary for the cleaning up of these odds and ends of our policy of price control and subsidies. It was mentioned by the minister in his opening remarks when he said that the only control power we are keeping is that of rent control.

Mr. Fleming: Where is that found?

Mr. Sinclair: At page 1089 of *Hansard*. The minister said:

Therefore the practical effect of the proposed bill is to continue the authority to control rentals only, . . .

But he does mention there are these other odds and ends to be cleaned up.

Mr. Fleming: Where does he mention them?

Mr. Sinclair: Not controls on prices, not added subsidies, but to finish up the payment of these few challenged subsidies which are now outstanding.

Mr. Fleming: I challenge the parliamentary assistant to point out any place in the speech the minister made last Friday where he said anything about its being necessary to clean up the odds and ends of price control. Earlier in the same paragraph of the minister's speech, we find this:

While no other change is proposed, I should state that during the past year all the orders contained in the schedule to the act have been revoked except those relating to price and rent control. The government does not intend to invoke the limited powers now granted by the act to reimpose controls already lifted. Therefore the practical effect of the proposed bill is to continue the authority to control rentals only, for a further period.

Mr. Gibson: The practical effect.

An hon. Member: What does price control mean?

Mr. Fleming: I fail to see the possible relevancy of that question to the matter before us, when the minister has said that the practical effect is to continue the authority to control rentals only. Surely that is quite enough. But apparently that was one of those mere statements of intention by which the government does not consider itself bound. Let us turn to paragraph (d), which reads as follows:

(d) to make public its findings or report in the case of any investigation or to withhold such publication if it considers the public interest would be better served by such withholding;

Let me ask the parliamentary assistant again what justification there can be for continuing this sweeping power for another thirteen months. It cannot be needed to clean up any questions of the payment of subsidies or adjustments of them.

Mr. Sinclair: If the hon. member will allow me to come forward again, I will get back to the earlier observation he made. I would ask the hon. member for Eglinton to read slowly the minister's words which are as follows:

While no other change is proposed, I should state that during the past year all the orders contained in the schedule to the act have been revoked except those relating to price and rent control. The government does not intend to invoke the limited powers now granted by the act to reimpose controls already lifted.

All price controls have, of course, been lifted. However, with regard to price control, we will remember that when we held down prices to below the cost of production so that the consumer could have the benefit of fixed prices, we had in fairness to subsidize the producer, whether it was the producer of milk, clothing or anything else. There are still such claims outstanding. The minister mentioned price control there and at the same time mentioned specifically that we were not going to reimpose any controls lifted, and of course all price controls had been lifted; nevertheless there is still need to have this authority to wind up the last claims for subsidies under the stabilization program.

Mr. Fleming: Has the parliamentary assistant to the minister any opinion from the law officers of the crown to substantiate his last contention?

Mr. Sinclair: The answer is yes, that Justice has so informed us. I understand, of course, that the hon. member for Greenwood will not regard that as a final authority. But that is the only authority I can go by.

Mr. Fleming: I do not think the hon. member for Greenwood questioned any statement made by the law officers of the crown. He questioned the opinions being bandied about the chamber by the hon. member. I should be much interested in having some further information about that statement attributed to the law officers of the crown. I do not think the parliamentary assistant should have any hesitation in giving to the committee, on

a matter of this importance, the benefit of the opinion of the law officers of the crown. I am interested particularly in knowing if it goes the full length of saying that the retention of all these powers—not only the one to which I have thus far referred, but the ten or more in the subsections following—are necessary to complete the demobilization of price control as the parliamentary assistant now argues they are. Personally, I have only this observation to make: On the statements he has made today, the purpose in retaining these powers is limited to the matter of adjusting and paying some remaining odds and ends of subsidies. I am prepared to affirm that half or more of these powers are totally unnecessary for that purpose, if it is as limited in its effect as that. I therefore invite the parliamentary assistant to give the committee the benefit of that opinion of the law officers of the crown so that the committee will know whether the opinion goes so far as to say that the retention of all these sweeping powers is necessary to accomplish the limited purpose that the parliamentary assistant has just described, namely, the completion of some odds and ends of adjustments of subsidies.

An hon. Member: Carried.

Mr. Fleming: No, not carried.

Mr. Sinclair: The hon. member for Eglinton is of course anxious to have me relay legal opinions. I merely want to point out to him that in the drafting of this legislation the Department of Finance's own counsel was present and also they had the advice of the Department of Justice. On the first three sections he has mentioned, my assistant here says that the Department of Justice was consulted and did give their opinion. As to the remaining six orders in council, I would point out that as the need ends for any of these powers to wind up subsidies and payments, then these sections or these orders can be revoked. That has been the policy of the government since 1945; and it is certainly the policy of the government today.

Mr. Fleming: That is an interesting statement. The parliamentary assistant says that has been the policy since 1945. There is not one of these sections of this order that has been revoked yet by any order in council. The only revocation was the limited one introduced by section 2 of the 1949 amendment to this act, the limited one as applied to section 4 (1) (f) of the order. So let us not be led astray by sweeping statements of that kind.

As to this matter of the reference to the law officers of the crown, I am interested in pursuing that a little further. We know, of course, that before legislation is introduced into the house it is passed on in a general way by the law officers of the crown, as to whether it is within the competence of parliament or not; and I have more than a suspicion that that is all the legal opinion that was ever passed on this measure. Of course it is within the competence of parliament to pass this measure. In the light of the advice tendered to the government by the Supreme Court of Canada, in the recent reference to it, it is quite clear that this legislation is within the competence of parliament. But that is not the question I raised at all. The question I raised was this. What is the necessity for continuing these sweeping powers? What justification remains for the provision that the wartime prices and trade board should continue to possess these vast, sweeping and arbitrary powers? The parliamentary assistant has not yet argued that one of these powers is necessary for the maintenance and continuance of rental control. He knows better than to argue any such thing, because all the powers that are needed for the maintenance of rent control will be found vested in that board under the rent control order P.C. 9029. The parliamentary assistant therefore knows quite well that the only basis on which he can justify the retention of these sweeping powers is by going outside of anything that has been said on behalf of the government in this debate to date. And so he brings in these so-called odds and ends of subsidies. Let the parliamentary assistant come out firmly and say to the committee what he has invited the house to believe in a previous statement this afternoon, namely, that the law officers of the crown have advised that the retention of all of these powers is necessary and essential to the completion of the so-called adjustment of odds and ends of subsidies. Let him say that. Let him produce the opinion.

Mr. Sinclair: The hon. member is getting quite excited and is trying to put words into my mouth. He asked me whether the first three sections in connection with this legislation had been drafted after an opinion from the Department of Justice.

Mr. Fleming: No, I did not.

Mr. Sinclair: I informed him that was so. Then he extended his statement and asked whether everything in all of these orders in council had been referred to the Department of Justice, and then a moment later said that I had said that. I replied that in the drafting of this legislation we had the advice of our own treasury counsel and we had the advice of the Department of Justice. On this ground I stand. I can do nothing else. Once again

getting back to this matter of the feeling of the people of Canada and these phrases which he has used such as "sweeping powers", and "arbitrary powers" may I ask what abuse of power there has been. Here is an orderly decontrol policy being carried to its logical conclusion, and once again the hon. member is flailing the air with these "sweeping powers" and "unwarranted powers" accusations.

Mr. Fleming: That is about as adroit a sidestepping of the issue as we are likely to see in this committee in some time.

Mr. Sinclair: That is a compliment, coming from the hon. member.

Mr. Fleming: The fact of the matter is that I have challenged the parliamentary assistant to produce any opinion from the law officers of the crown to the effect that the retention of these powers in the wartime prices and trade board is necessary for the only purpose that he has assigned for the retention of these sections, and he has not done that. I will now put to him the same question with regard to these remaining powers. If there is any justification for them, let him give that justification. Certainly by no stretch of the imagination can this power be said to be necessary to adjust any so-called odds and ends of subsidies. Listen to this:

(g) to prescribe the terms and conditions upon which, and the manner and circumstances in which, any goods or services may be produced, manufactured, extracted, refined, processed, stored, transported, purchased, sold, offered for sale, supplied, assembled, installed, constructed, distributed, exhibited, advertised, delivered, used, or dealt in or with, either generally or by specified persons, and to prohibit transactions and acts not in accordance therewith;

(h) to require any person to obtain licences or permits from the board or from any person specified by the board; to prescribe the terms and conditions under which and the manner and circumstances in which such licences or permits or amendment thereof shall be obtained; to issue, re-issue or refuse to issue licences or permits or amendment thereof to any persons; to grant general licences or permits; provided, however, that the issue to any person of a licence or permit shall not be deemed to affect the liability of such person to obtain a licence or permit as required by any other statute or law of Canada or any province thereof;

(i) to amend, suspend or cancel any licence or permit issued or granted;

(j) to prescribe the quantities of, the manner in which, and the terms and conditions under which, any goods or services may be bought, sold, supplied, distributed, delivered or used within prescribed periods of time and to prohibit purchase, sale, supply, distribution, delivery or use except in accordance with such prescription;

(k) to require any person owning or having possession, control or power to dispose of any goods or services to deal with, use, dispose of or supply any such goods or services, in such manner as may be prescribed by the board; and no use, disposition or supply of any such goods or services in accordance with such manner shall constitute infringement of any mark, design or other private or proprietary right;

(l) to require any person producing, manufacturing, extracting, refining, processing, storing, transporting, importing, supplying, assembling, installing, constructing, purchasing, selling, distributing, delivering, using or dealing in any goods or services to produce, manufacture, process, extract, refine, store, transport, supply, assemble, install, construct, purchase, sell, distribute, deliver, use or otherwise deal with any such goods or services, in such manner and in such priority to any other business of that person as may be specified by the board.

There is not one of these powers that is necessary for the continuation or enforcement of rent control; because, as I have already said, rent control order 9029 vests in the wartime prices and trade board all the powers that that board requires for the maintenance of rent control. Surely no sensible person is going to rise in his place and argue that powers as sweeping as those are necessary for the adjustment of the so-called odds and ends of subsidies, the settlement of a few claims for subsidy. Hon. members should realize this because I suspect there are not very many, certainly on the government side of the house, who have taken the trouble to read these orders in council or to appreciate the scope and breadth of their provisions. Today parliament is being asked to give to these orders the force and effect of legislative enactment for a further period of thirteen months. Let any hon. member rise in his place and say that those sweeping powers are necessary for the adjustment of the so-called odds and ends of subsidies.

Mr. Chairman, what the house is being called upon to do is an insult to parliament. What we are enacting here, on the invitation of this government, is simply a travesty.

Mr. Diefenbaker: There are one or two questions that I should like to ask the parliamentary assistant. They have to do with the submission made to the Supreme Court of Canada in reference to the continuance of emergency powers. The judgment delivered by the Supreme Court of Canada was one of the most striking ever delivered. It is one that peculiarly affects the constitutional set-up of this country. I say that because it is the first judgment on so important a matter passed by the supreme court since it became the supreme court. I use the word "judgment" advisedly, even though the chief justice properly pointed out that what the court was in fact doing was merely answering a question submitted to it as to whether or not the emergency powers in connection with rental control were continuing, and as such were within the jurisdiction of the federal parliament.

I want to find out first whether any appeal has been launched against the submission and

the answers given by the supreme court. Second, if an appeal has been launched, by whom has it been launched, and in the normal course of events when will it be heard? This happens to be one of these matters that may still be appealed to the privy council. At the moment I am asking for information as to whether or not the privy council is going to deal with this matter.

No judgment has been handed down in years that indicates and emphasizes the responsibilities of the federal parliament as does this submission or reference which I am discussing; for in effect it says, as I interpret it, that when and if parliament declares the existence of an emergency, arising out of either war or insurrection, or in any other manner whatsoever, then the court will be bound to agree, unless there is very strong evidence to the contrary, that parliament had the right to invade the jurisdiction of the provinces.

As I understand the import of the judgment, it means that if we in parliament make the declaration, irrespective of the provisions of the British North America Act with regard to division of powers under sections 91 and 92, the court will be most loath not to uphold the declaration of emergency. It is the judgment on the reference which indicates just how far this parliament could go in invading provincial rights, unless the House of Commons and the Senate were most careful to ensure that there was in fact an emergency before making such a declaration in the preamble.

I notice that the parliamentary assistant pointed in the general direction of the Minister of Justice. I feel sure that the Minister of Justice will make some extended reference to this submission, which is one of the most outstanding in Canadian constitutional history.

Mr. Garson: Mr. Chairman, dealing with the first point raised by the hon. member for Lake Centre, may I say that, so far as we in the Department of Justice are aware, up to date no appeal has been entered against the judgment in question.

With regard to the other observations made by my hon. and learned friend, I would very much prefer not to deal with a matter of this importance in the extemporaneous manner in which it has been raised today. But I think I should say that the point which the hon. member makes is not borne out by all of the judgments of the judges of the supreme court. Just taking at random from the judgments which I sent for only a few moments ago, when this matter seemed to be imminent, Mr. Justice Taschereau states in his judgment:

> In the present instance,—

That is, in the case referred to the court.

> —no evidence of any kind has been submitted to show that the emergency had disappeared and that normal conditions are now prevailing. On the contrary, common knowledge, to which it is surely permissible to appeal in a case of this kind, and the very valuable exhibits in the record which I have usefully consulted to test the accuracy of the statements, lead me to the irresistible conclusion that an emergency still exists as an aftermath of the war.

That is a judicial finding, not a legislative assertion, of an emergency. Then I quote again from page 13 of the multigraphed copy of the judgment as follows:

> It follows that if there is unmistakable evidence to make it clear that there is no emergency, the courts are duty bound to intervene.

Mr. Diefenbaker: Is that still Mr. Justice Taschereau?

Mr. Garson: Yes. He continues:

> Otherwise, we would reach a conclusion that is not justified by the British North America Act. Under the guise of "Peace, order and good government," it would be possible for the parliament of Canada to enact colourable legislation, and wrongly assume powers that belong to the provincial legislatures. Confederation has been erected on more solid foundations.
>
> But such is not the case. The war has created an emergency that justified the governor general in council to bring the War Measures Act in operation and pass regulations to meet such an emergency. Parliament then enacted the National Emergency Transitional Powers Act (1945) and the Continuation of Transitional Measures Act (1947) because in its opinion the emergency that arose out of the war was still existing, and for the express purpose of decontrolling, and to complete the orderly transition from abnormal to normal conditions.
>
> The regulations that were passed to reach that aim are essentially of a temporary character, and the laws from which they derive their validity are in no way permanent. They will come to an end with the emergency.

I mention that judgment simply to indicate that it is rather dangerous to generalize in the way in which I understood my hon. and learned friend did as to the nature of the judgment. I think I am right in saying that a judgment was delivered by every one of the judges who sat on the case and necessarily the reasons were not all the same. Reasons were given by Mr. Justice Taschereau to the effect that if there were a clear case of parliament attempting to declare, as a foundation for its jurisdiction, an emergency which did not in fact exist, then the jurisdiction would not stand.

Mr. Diefenbaker: How many judges concurred with Mr. Justice Taschereau in his view on the question of the emergency which the minister has just enunciated?

Mr. Garson: As my hon. friend knows, on most occasions when judges concur with another judge they do not write judgments of their own, they simply say, "I concur in the judgment of Judge So and So."

Mr. St. Laurent: They each must write a separate judgment on a reference of that kind.

Mr. Garson: In this particular case each judge did write a separate judgment, and as the Prime Minister points out, on a reference of this kind each judge is under the necessity of so doing.

Another observation was made by my hon. friend with which, even on an extemporaneous basis, I think I shall have to take some issue. If I understood him correctly, he made a proposition to the effect that this judgment established some new principle of constitutional law.

Mr. Diefenbaker: No.

Mr. Garson: I am glad to hear my hon. friend say that he disagrees with that view. I think on reading the judgments of the various members of the bench he will say that they all followed closely two or three leading cases of the privy council.

Mr. Diefenbaker: The point I was making was that this is a landmark because the Supreme Court of Canada is actually making this declaration in regard to the constitutional separation of powers and the right of the parliament of Canada to invade provincial jurisdiction when an emergency exists.

Mr. Garson: My hon. friend says it is a landmark. It may be a landmark in the sense that it happens to be the first judgment of the new supreme court since ultimate appellate jurisdiction for Canada was conferred upon it, but not in the sense that it failed to follow in any way the other landmarks made by the privy council in the Fort Frances case, the Japanese reference case, and I think in a third case. I think I am correct in saying that almost every one of the judges in rendering his judgment referred, to a greater or less extent, to these judgments of the privy council. I think this is the limit of the extemporaneous contribution that I should make at the moment.

Section agreed to.

Bill reported, read the third time and passed.

FISHERIES PRICES SUPPORT ACT

PROVISION FOR CONTINUATION IN FORCE

Hon. Alphonse Fournier (for the Minister of Fisheries) moved the second reading of Bill No. 54, to amend the Fisheries Prices Support Act, 1944.

Mr. Higgins: Is the parliamentary assistant going to make a statement?

Mr. J. W. MacNaught (Parliamentary Assistant to the Minister of Fisheries): I did not intend to make a statement at this time because I understand there is no serious objection to the passage of this measure. I believe that some hon. members have a few questions to ask and I suggest that the bill be allowed to pass its second reading so that we can get into committee where I could answer the questions in an informal way.

Mr. G. F. Higgins (St. John's East): Mr. Speaker, before acceding to the suggestion of the parliamentary assistant I have a couple of comments I should like to make. I assure the house that I am not going to delay the passage of this bill because I approve thoroughly of the principle behind it. As I understand it, the purpose of the bill is to make permanent the provisions of section 9 which outlines the powers of the fisheries prices support board. Under the former legislation there was a time limit but this bill will make the powers of the board permanent as long as the act is permanent.

I should like to refer to *Hansard* of the time this act was passed, for two purposes. There are some short excerpts I want to read. My purpose in doing so is to refresh the minds of hon. members because I believe that to a large extent fish is not a subject which attracts a great deal of attention on the part of hon. members. I should also like to refer to them for a purpose which I will outline as I proceed. When the original act was first introduced in the house the minister at that time was Mr. Bertrand. At page 5800 of *Hansard* for August 2, 1944, in speaking on the bill the minister said:

> But, Mr. Speaker, although we do not know exactly all that we are going to do, we know exactly what we are not going to do; that is, we are not going to let the prices fall to the low levels to which they fell in 1920, and again in 1932, 1933, 1934 and a few other years.

Further down the same page there are these words:

> First there is, under section 9, subsection 1(a) and (b),—

Those are the present subsections of the act.

> —provision that the fisheries prices support board may prescribe prices at which they will be prepared to purchase such commodities as may be named by the governor general in council. This, while not being exactly a floor price, will have the effect of ensuring to the primary producer the prices which the government is going to set for certain commodities . . .

At page 5801 of *Hansard* of the same date the then minister said:

> The second device, under section 9, subsection 1(c), is what we call a deficiency payment. The deficiency payment has already been in use under

the salt fish board in 1939 and 1940 and was found to be workable. The feature of the deficiency payment is that under this scheme there is no interference with the natural fluctuations of price brought about by the laws of supply and demand. At the end of the year or of the season the board determines what the average price is to the producer of the fish on which a price has been set. If that average price is deemed to be too low to support and reasonably maintain production, the board, with the approval of the governor in council, sets a value on the unit commodity which in its judgment will bring sufficient return at this price to the producer . . .

Further down on page 5801 the minister said:

This is the policy of the bill. At the end of the year, as I said, there would be a calculation made as to the average price, and if the unit commodity has been sold below that average price the difference is paid between the average price and the price at which it should have been to give a fair return to all those who have sold this commodity.

Then there is an excerpt from the speech of the present Minister of Fisheries (Mr. Mayhew), to be found at page 5825 of *Hansard* of August 2, 1944. In speaking on the bill at that time the minister said:

I did not take part in the debate on the other bills, Nos. 161 and 168—

They were agricultural prices support measures.

—but I want to say a word on this, because I think that, of the three classes it is the desire to help, fishermen have probably suffered more than any other. They are in a very hazardous occupation. When they leave our shores to go out to fish they do not know what kind of weather they will encounter; they do not know whether they will have a catch or not, and when they come home they do not know what prices they will obtain. Therefore I think this measure is a timely one. It is hardly a coincidence that bills Nos. 168, 169 and 161 come in together and are all, in my opinion, aimed at the relief of the small man, the man who is unable to take care of himself.

He concluded his speech by saying:

I do not think any government will be able to withdraw it;

He meant the legislation.

they will have to improve it and bring it more in line with developing needs, and make it permanent. If it does not work, of course, the more temporary it is the better. So that I welcome the fact that it has been introduced at this time. and I do not deplore so much the shortness of the term, because I am quite sure that once it is in effect it will not be possible to withdraw it.

At page 5829 of *Hansard* of the same date the then minister of transport, Mr. Michaud, said by way of an official pronouncement:

By this legislation we say, "So far as this country is concerned, we will take care of the products of your industry and will assure you a return which will enable you to continue in that industry and at the same time maintain a decent standard of living." That is what this measure is designed to accomplish, and nothing more.

Further down on the same page he said:

After all, what the fisherman and those engaged in this basic industry want is an assurance that whatever may be the condition outside Canada, this country will see that they get a fair return, no matter if that must be accomplished by a violation of the economic law of supply and demand.

At page 5830 he said:

Section 9 (c) of the bill maintains the principle which was established by the salt fish board. During its operation that board worked to the advantage and benefit of the fishermen, because the great bulk of the exports could not be exported at a profit or even at the cost of production.

He ended his remarks by saying:

I submit that this measure will go a long way toward relieving a situation which has been deplorable and which has concerned all governments for many years. They had tried to solve this problem but unfortunately have been unable to do so, owing partly to public opinion and partly to conditions over which they had no control. Now, however, we are establishing a principle whereby those who are willing to help themselves will be helped, and I am sure that this measure will be of great assistance to the fishing industry.

Those are the main excerpts I wish to draw to the attention of hon. members. My reason for reading them is to clarify members' minds as to the situation at the time the legislation was passed. As hon. members will realize, Newfoundland members are particularly interested in fishing, but that interest also extends to a large section of Canada. It is my submission that the act was put on the statute books for the purpose of making possible a floor price for fish in times when it might be necessary. In case there may be any doubt about that, and as to the excerpts which I have quoted, on the 21st of March last in a radio address over the trans-Canada network the Prime Minister (Mr. St. Laurent) stated:

Another thing we are asking parliament to do at the present session is to review legislation to provide floor prices when they are required to give a measure of social security to our farmers and fishermen.

I presume that is the highest authority on the matter to whom we can refer at this time. Taking the words of the Prime Minister, I believe I am safe in assuming that this particular measure does give the government the power to set floor prices on fish. That being so, I want to draw to the attention of the house a particular situation existing in the newest province of Canada. Last night the Minister of Finance (Mr. Abbott) stated in his budget speech:

But I think it is fair to remind the house that during the past year and over the next few years the accession of Newfoundland to Canada has imposed and will continue to impose a considerable net burden on the federal treasury.

I was very glad to hear those remarks because it gives us great hope that things will continue in the way that the minister outlined. We have a situation as to Labrador fishing that I feel I must bring to the attention of the Minister of Fisheries. Probably it has been

done before, but certainly I would like some pronouncement from him on this matter, because the situation has become extremely serious. I have here the St. John's *Daily News* of March 20, which has a large black headline, "Labrador fish outlook is grim." I am going to read a few excerpts so the minister will understand the position of this committee of fishermen who called on the premier of Newfoundland concerning this problem. In this article Captain Malcolm Rogers, who was a member of the delegation, if not chairman, said:

"We are discouraged and disappointed men. We cannot possibly supply for the fishery if a price of at least $10 per quintal is not guaranteed beforehand.

We are determined not to go fishing until the situation is clarified to see if there will be a reduction in price. All we ask, if we are fortunate enough in securing a good voyage of cod, is sufficient money to be able to feed our families.

We have to go home now and tell our men that there is very little hope for the coming season's fishery. And apart from that there is very little hope of other employment . . .

We were told that our methods of fishing have been long outdated and that we might as well face the fact that new methods must be adopted. Speaking for myself, I have spent a lifetime building up fishing property. Now it is all of no use. I must put it 'on the mud to rot.'

When the proposed new methods are formulated we are willing to adopt them, but we are wondering what our industrious fishermen will do in the meantime to provide for their families."

That arises from the meeting of this delegation with the premier of Newfoundland, who is reported as having said at that time:

The premier held out no hope for the Labrador fishery this year, if present market conditions continue to exist. He frankly admitted that he did not expect one Newfoundland fishing schooner to go to the Labrador fishing grounds this summer.

There would be no difficulty in marketing the 1950 catch, but at a price which would not make it profitable for the fishermen to operate.

However, it is understood that negotiations are now being conducted at Ottawa in an effort to relieve the situation. And it is hoped that conditions will show some improvement.

That is my principal reason for rising at this time. I thoroughly agree with the principle of this bill, but again I would point out the situation that exists in Newfoundland. The procedure followed in preparing for the fishery is perhaps not known to hon. members, but it amounts to this. Prior to the beginning of the fishing season those who are going to engage in the fishery approach the local merchants in the various little settlements and arrange with them to obtain the necessary supplies of food, fishing gear and anything else they require. If those arrangements are not made and the fishermen do not get supplies, then of course there is no fishery. The situation now existing means that unless the merchants are guaranteed a price of at least $10 per quintal, as Captain Rogers says, they will not supply the fishermen, and then we will have no Labrador fishery.

I realize that this is a very small matter, when we look around at the members of this house and consider the important matters that are being conducted and the amounts of money that are being made, but I can assure you that unless this situation is remedied those people in Newfoundland who normally engage in the Labrador fishery will suffer very real distress. Therefore I would urge upon the minister and his assistant that they take all these facts into account. They might also discuss the matter with the Secretary of State (Mr. Bradley), who unfortunately is not here at the moment, but in whose district many of these men reside, and who is fully cognizant of the facts. The hon. member for Grand Falls-White Bay (Mr. Ashbourne), who is not here either, should be familiar with this situation as well.

Very sincerely and honestly I urge the minister that action be taken immediately. Otherwise many men will have to go on unemployment insurance, which will mean that many independent people who do not want to ask for help will be required to do so.

Mr. William Bryce (Selkirk): Coming from the town of Selkirk, Mr. Speaker, I am interested in this fish business, because when our fishermen are prosperous it means a great deal to our town. It was only about a year ago that I was worrying the minister to do something for the fishermen in Manitoba. I was not the only one; the situation was so serious that the government of my province were writing to him, along with the various fish organizations of northern Manitoba, in an attempt to get some support for the five million pounds of fish that had accumulated at different points on the lake.

As most people know, the winter fish taken through the ice normally are sold by the fishermen to local agents, who in turn sell to Winnipeg exporters. Usually the fishermen are financed during the season by these agents, and a final settlement is reached after the fish is sold. The trouble here is that, like the other support act, we have no formula. The Department of Fisheries did a wonderful job last year, but I cannot get away from the feeling that that job was done because an election was coming along. The more I study these matters the more convinced I am of that fact; and I am sure the minister would not want anything like that to be in the public mind. That could be altered by putting some formula in the act. As I look at this, if the Minister of Fisheries—not the present minister, but a future minister—is in a bad humour

when some outfit from the Pacific coast or the Atlantic coast or the prairies comes along, he can say the figure will be 50 per cent. If an election is coming he can say it will be 80 per cent. If things are really bad and there is a by-election in the offing, he can say 100 per cent. I think we should do something about that.

These prices are paid at the packer level. The man this government wants to help is the man producing the fish, the primary producer. Instead of that the help goes to the man who has bought the fish. I want to quote briefly from the second annual report of the fisheries prices support board, for 1948-49:

> The Winnipeg dealers were holding heavier stocks than usual, of fish they had purchased, and especially of fish reaching them on consignment from the lake. They had recently discontinued buying. Manitoba fishermen had thereby sold less than half their last year's quantities. The surplus fish was threatened with spoilage, unless action was taken to buy and move it from the lakes into cold storage warehouses in Winnipeg.

A few days later the Department of Fisheries said they would buy 5 million pounds of frozen fish, including whitefish, saugers, pike, pickerel, trout and tullibee, at prices approximately 80 per cent of the going price for frozen fish. I do not object to that; that is all right. Further down in the report it is said that this price would be paid at the cold storage warehouses in Winnipeg. At that stage, the fish have passed into the hands of the packer, who can pay anything he likes for the fish to the man we are trying to help. I object to that. I want to see the primary producer get the benefit of this good legislation which has been put on the order paper, not the packer, who can look after himself quite well.

I said before that I supported this bill last time, and I am going to support it again. I should like to move an amendment—

Mr. MacNaught: I do not like to interrupt the hon. member, but I think he is creating a wrong impression. All the cheques for those fish went to the individual fishermen, and not to the packers.

Mr. Bryce: I do not think that is right, sir. I know that all the packing companies that held fish were paid for the fish. This money was not paid to the man who caught the fish up at Norway House—

Mr. Gibson: Perhaps they were on consignment.

Mr. Bryce: They were only partly consigned, Mr. Lumberman. When I asked about this matter, the return I was given showed where the money was paid, and where the fish went. They went to Canada Packers at a cent a pound to be made into fish meal.

[Mr. Bryce.]

Mr. MacNaught: That is where the fish went after they were bought.

Mr. Bryce: Yes, but the packers were paid for it. The fish companies in Winnipeg were paid, and I could put their names on the record. The primary producer is the man who goes out on the lake and fishes. He is the man who suffers all the hardships, and then has to take what the other fellow is willing to give him.

I am going to move an amendment, Mr. Speaker, which reads as follows:

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

This amendment is seconded by the member for Vancouver East (Mr. MacInnis). I believe it will improve the bill, and it is for that reason I move the amendment.

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, I should like to say a few words in support of the amendment. I do not think very much needs to be added to what has been said by the member for Selkirk (Mr. Bryce). I come from a constituency on the Pacific coast in which a great many fishermen reside. The men who are engaged in taking the fish out of the sea are fairly well organized, and can generally get a fair deal with the packers and others who buy their fish. In eastern Canada I understand the fishermen are not so well organized, and are not in as good a position to get a fair share of the value of the product they help to produce.

I think we should pay attention to the point made by the member for St. John's East (Mr. Higgins) that on the east coast, where fishing is so hazardous an occupation, when the fishermen undertake to go through the hardships of bringing the fish to shore, they never know what they are going to receive for their fish. As a matter of fact, they have little control over the price they receive. Consequently, whether the fishermen participate directly or indirectly in the monetary benefits of price support, they should know before the fish are taken out of the sea what they are going to receive for their labour. As was said in the debate on the agricultural bill, it should not be left to the whim or caprice of a fisheries minister or a cabinet to decide what the price support may be.

I appreciate this bill. I see that it is to be continued for an indefinite period, but any amendment we may make now relating to the price relationship would not of course

remain permanently. It could be amended in the same way that other sections of the bill are amended, if any change took place in the cost of living. Then another period could be taken to determine the price relationship. I suggest that this amendment does not hold up the bill. The bill could be passed with the assurance that the fishermen and those engaged in that industry will know exactly what price support will mean in actual practice.

Mr. Deputy Speaker: Shall the amendment carry? Those in favour of the amendment please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those against will say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it. I declare the amendment lost.

Amendment (Mr. Bryce) negatived.

Mr. W. J. Browne (St. John's West): I should like to make a few observations in support of what the member for St. John's East (Mr. Higgins) has said. I represent a constituency a portion of which, outside the city of St. John's, is principally concerned with the fishing industry as a means of livelihood. In St. John's West, the principal people engaged in this trawling business are established. It must be realized that we are principally concerned about the salt codfish industry in Newfoundland. It has always been a matter of great concern to the fishermen of Newfoundland to know what price they are going to get for their fish. As my hon. friend has stated, this business being conducted on a credit basis and not on a cash basis, in the spring of the year the fisherman generally goes to a merchant, locally he is called a supply merchant, and takes on supplies. He would like to know then, not six months after that, what he is going to get for his fish. Otherwise he does not know how the price he is paying for his supplies is going to relate to the price he is going to get for his fish.

Over one hundred years ago a law was passed that made it obligatory for the merchants to set up the prices when the men went to look for supplies, so that they would know what was going to be paid for the fish; and at various times since it has been found necessary. It is certainly desirable that as soon as possible, at the earliest part of the season, in August, the fishermen should be told what the price of fish is going to be.

In our country at the present time we have a fisheries board that has been in operation for about five years. At various times we have had various measures to help the fisherman. I remember in 1933 the merchants would not supply the fisherman, and the government had to come forward and give a guarantee that they would compensate the merchant if the fisherman was not able to pay for the supplies he got. I think it can be easily seen how important this business is in Newfoundland. There are 28,000 fishermen and through the various ramifications the number of people who are concerned with the successful progress of the fishing voyage is greater than that in any other industry in the province.

At the present time, in the month of March, the first fishermen begin to go to the Grand Banks from the southern portion of the island. They are engaged in trawling on the Grand Banks. As can be imagined, that is a strenuous life at this time of the year. As my hon. friend has said, it is the fishermen who go down to Labrador who are now the most concerned. In my constituency last year the chief trouble we had was that the people did not catch any fish. I do not know whether anything can be done for them except what was done by putting them on relief work initiated by the provincial government.

But as to the price of fish, of the two measures envisaged under the continuation of this act, one is that the government will buy the fish that cannot be sold. I should like the minister or his parliamentary assistant to tell us if anything will be done in Newfoundland this year with regard to that. We had some difficulty in disposing of the catch. I do not know whether it is all disposed of as yet. One of the things that saved the situation down there was that the fishing was not as great as it is normally. One of the purposes of the act is to see that there is a fair relationship between the return from the fisheries and that from other occupations. That purpose was stressed when the bill was introduced in 1944 and I hope it will be kept in mind for the future.

Last year the minister, speaking with regard to the fisheries, told us that he was going to set up three committees, I believe: one dealing with marketing, one dealing with technical services, and one dealing with consumers' services. I do not know whether he has been able to make any progress in this matter since then; but if he has been able to do so, I hope he will tell us what he has done.

The hon. member for St. John's East (Mr. Higgins) has pointed out the situation with regard to the Labrador fishermen, and in some respects what he said applied to other fishermen. It is desirable for them to know the price. That is why it is important that a floor should be set under the price of fish. It is important for them to know at as

early a date as possible what is going to be paid for the fish, so that they will know whether it is worth while for them to go into it or not.

I do not intend to speak at any length. I just want to refer to this point. The amendment that was moved here, it seems to me, would not suit at the present time because there has been a decline in the price of fish and the fishermen have had to accept a lower price for fish than they were getting up to last year. But nevertheless there is a point beyond which we cannot allow the price of fish to go or, as in the case of the Labrador men, they will have to give up the fishery and they will not be able to go down there at all. The same thing may apply to the shore fishery. I am sure that the intention of this act is to prevent a large body of people from being put out of employment. I hope the minister will be able to give us some information on these matters.

Mr. A. W. Stuart (Charlotte): I just wish to make a few brief remarks in connection with this resolution. I believe that I am perhaps as greatly interested in the fishing industry as any other member in the House of Commons. It is only a day or two ago that I heard the hon. member for Bow River (Mr. Johnston) make the statement that the farmers of this country were the only people who were ever asked to sell their products at less than the cost of production. I did not contradict him at that time, but I should now like to say that I myself, on many occasions, have sold fish below the cost of production. I am greatly interested in the fishermen being protected to the extent that they will be able to make a fair living. At the same time I realize that even with this resolution we shall have many problems to face.

I have listened with interest to the hon. members from Newfoundland who have spoken within the last half hour, and from my experience I should like to assure them that it would be utterly impossible for the fishermen in Newfoundland to find a market for their fish in Canada. They will have to look to the same markets they have had over the years in order to dispose of their catch of fish. We in the maritimes have found it utterly impossible to sell any volume of fish in Canada. I have made the statement on the floor of the House of Commons on several occasions that some particular lines of fish that we produce are sold 100 per cent in the United States. That is the natural market for fresh fish, lobster, and all kinds of shellfish. In the dried-fish industry you have a different market that goes farther south. If the fisherman in Newfoundland expects to sell

dried fish during the year 1950, I am convinced in my own mind that he will be obliged to seek a market in that same country.

There is a problem which arises in connection with price control and which has been discussed to a great extent down on the Atlantic coast. As I have stated, we sell practically all we produce in the United States, in competition with fish that are caught in the state of Maine. When this prices board was set up in 1944, all the papers in the state of Maine and along the New England coast line took it up immediately. The great worry among the fishermen in those states at that time was that we in Canada would be selling fish, the price of which was supported in Canada, in competition with Maine fish. They were bitterly opposed to Canadian fishermen having that advantage.

When the time comes, and if it is found necessary to support these prices, I believe that we may find a good deal of opposition in the state of Maine, in trying to compete with those fishermen there. I believe there is some way by means of which the fishermen may be helped to the extent that they can at least sell all they produce at the cost of production. Prior to the war, those engaged in the fishing industry had had many years of distress circumstances. Anything that might be done by this government to assist the fishermen down in that section would certainly be appreciated. But I know that we shall find that opposition from the fishermen in the New England states. I realize that it may be quite a problem and in the final analysis it might be responsible for a duty being placed on Canadian fish going into the United States. If a duty were placed by the United States on any of the fish that we produce, it would practically kill that particular industry down there. I just want to put one set of figures on the record again to indicate the extent to which we depend on those people for markets.

A few years ago—as a matter of fact, in 1948—I obtained the figures from the lobster company in the town in which I live as to the volume of their business transacted in the United States. In that particular year they did $4 million worth of business in lobsters. Of that total 96·4 per cent of the lobster was sold in the United States. Less than 4 per cent was sold in Canada. We have other industries down there—smaller ones I will admit—where 100 per cent of the production is sold in the United States. Legislation that may in any way interfere with the market we have enjoyed over the years would be very harmful to the fishing industry in that section. I am hopeful that this legislation

may not bring about that condition, but at the same time I realize that we certainly will have a lot of opposition from fishermen in the New England states.

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

On section 1—*Coming into force.*

Mr. MacNaught: Mr. Chairman, when the house was at the resolution stage, the hon. member for Selkirk asked a question, and I promised that when we were in committee on the bill I would answer it. I have the answer prepared. It is rather lengthy, and if I have the unanimous consent of the committee I will put it on *Hansard.*

The Chairman: Has the hon. member unanimous consent to put the answer on *Hansard*?

Some hon. Members: Agreed.

Mr. MacNaught: The following is the answer to the question asked by the hon. member for Selkirk, which is to be found on page 1080 of *Hansard*:

1. Expenditures for support

The net amounts expended by the fisheries prices support board for price support purposes in each fiscal year is as follows:

Year	East Coast	Prairie Provinces	West Coast	Total
1947-48	....	....	....	....
1948-49	$538,988.35	....	....	$538,988.35
1949-50	605,151.04	$264,688.34		869,839.38
Totals	$1,144,139.39	$264,688.34	....	$1,408,827.73

N.B. The 1949-50 amounts and the totals are preliminary and subject to audit.

2. Disposal of purchases

(a) East Coast Canned Fish (1948-49 and 1949-50)

	cases
1. Commercial sales to exporters at prescribed prices	3,036
2. Sales to united nations international children's emergency fund at discount of 15 per cent	7,479
3. Government authorized gift to middle east relief through Canadian Red Cross Society, free at dockside Saint John, N.B.	40,000
4. Government authorized gift to United Nations for relief of displaced persons in middle east	55,657
5. Government authorized gift to Canadian public and charitable institutions	44,819½
6. Samples and spoilage	35
Total	151,026½

Proceeds from sales (first two items) were $70,977.21.

As this support program extended into the present fiscal year, these figures are preliminary and subject to audit.

(b) Manitoba lakes frozen fish (1949-50)

	Receipts
1. Sold for reduction to fish meal: whitefish, sauger, pike, pickerel and tullibee totalling 2,328,572 lbs.	$28,889.80
2. Sold to fur farmers: whitefish and tullibee totalling 968,687 lbs.	14,653.95
3. Sold in Toronto market (for human consumption) whitefish, sauger, pike, pickerel, trout and tullibee totalling 31,088 lbs.	4,887.07
4. Filleting and reduction experiments: whitefish, sauger, pike, pickerel, trout and tullibee totalling 35,100 lbs.	....
5. Given to Department of Fisheries (for use in training inspectors): whitefish, sauger, pike, pickerel and tullibee totalling 9,951 lbs.	....
6. Spoilage and shrinkage: whitefish, trout, pike and pickerel, totalling 2,684 lbs.	....
Total	$48,430.82

These figures are preliminary and subject to audit.

Mr. Browne (St. John's West): I notice from the report of last year of the fisheries support board that research activities were carried on in the Gaspé peninsula and on the north shore of the gulf of St. Lawrence and the Magdalen islands in 1948 to find out the relationship between fishermen's incomes and the factors affecting them. I wonder whether any work of that kind was done in Newfoundland during the past year.

Mr. MacNaught: Yes; similar work has been done in Newfoundland, and is going on all the time.

Mr. Browne (St. John's West): By whom?

Mr. MacNaught: By officials from the fisheries research board.

Mr. Browne (St. John's West): At Ottawa?

Mr. MacNaught: Yes, from the prices support board in Ottawa.

Mr. Gibson: Are any applications to the fisheries support board being considered at the present time in relation to any commodities? If so, where are they?

Mr. MacNaught: There is one.

Mr. Gibson: From what district?

Mr. MacNaught: One application came in for consideration a short while ago. It is from British Columbia and has to do with dogfish oil. Last week the board considered one from Newfoundland. It had to do with the salt fish situation.

Mr. Gibson: No decision has been arrived at yet?

Mr. MacNaught: No.

Mr. Stuart (Charlotte): Would the same support apply to the fish that is exported as it does to the fish that is consumed or sold in Canada?

Mr. MacNaught: I understand that if the fish is to be subsidized it will not be exported.

Mr. Higgins: I may not have got the answer correctly to the question asked by the hon. member for Comox-Alberni. Did the parliamentary assistant make a statement with respect to price support and the setting of a ceiling price on fish? Will the minister make a statement on that now?

Mr. Mayhew: I did not hear the hon. member's question. Will he repeat it?

Mr. Higgins: I understood from my colleague that the parliamentary assistant gave an answer to the hon. member for Comox-Alberni with respect to an application from Newfoundland to the prices support board. I did not hear it.

Mr. Mayhew: The parliamentary assistant said that there was an application before the board for a floor price on cod liver oil. That has been considered, but no decision has been rendered.

There is also under consideration what we might do to help the salt fish situation in the province of Newfoundland. No decision has been reached on that, although a recommendation is going forward.

Mr. Higgins: The minister has had a request, has he?

Mr. Mayhew: Yes, we have had a request. I do not know whether it is an official request, but the problem of the Newfoundland salt fish industry is one that has been carefully watched ever since the exchange situation developed, and we are giving it every assistance we possibly can. I think we would have greater success if there was less said about a surplus. You are creating a situation for yourself that makes it very difficult in Newfoundland when you tell the world that you have a long surplus of fish. I would like to tell them now that you have not got a long surplus, and let these people know who are looking for bargains that they are not going to get them.

Mr. Higgins: May I ask the minister who in the house has been making statements about surpluses in Newfoundland?

Mr. Howe: Everybody who rises in his place.

An hon. Member: You have.

Mr. Higgins: I have not.

[Mr. MacNaught.]

Mr. Mayhew: I had not intended to say anything on this matter because the parliamentary assistant was handling it. The hon. member for Selkirk implied that we had paid the money to the wholesalers rather than to the fishermen for the fish that were taken in Winnipeg last year. We obtained the names of the fishermen from the wholesalers who brought them in, and the cheques were sent to the individual fishermen, not to the wholesalers. We paid the cold storage people for the storing of the fish. Necessarily we had to bring them in, and they were on consignment there. We had to pay for the storage, but for the fish themselves the cheques went to the individual fishermen.

Mr. Bryce: With your permission, Mr. Chairman, I want to ask the minister another question. These cheques that went out went to the men that collected the fish, not to the men who took the fish from the lake?

Mr. Gibson: What is the difference?

Mr. Bryce: There is a big difference.

Mr. Gibson: It was a poor buy, anyway.

Mr. Bryce: It was not a poor buy at all. I am serious about this. Hon. members can laugh at me as much as they like; I do not care. I would not rise in my place and tell the hon. gentleman he was wrong if I did not know that I am right. I am positive that I am right, because I have been there and I have seen it myself; the men who actually drew the fish out of the lake did not get paid. The men who collected the fish skinned them, passed them on to the packer who got the cream off it. I have another question.

Some hon. Members: Six o'clock.

Mr. Bryce: I do not want to be heated about this, but I am going to be asked these questions when I go back to Manitoba.

Mr. Mayhew: I will give the hon. member all the information if he asks me in a proper way.

Mr. Bryce: The minister employed a technical consultant three months under the Fisheries Prices Support Act. What was his job? Who was he?

Mr. Mayhew: That is a question that could be answered when our estimates are before the committee. I should be glad to give the information then. We will give all the information. We shall tell you to whom the cheques were sent and how they were distributed.

Mr. Bryce: Will you take the question as notice?

Mr. Mayhew: Yes.

Mr. Higgins: I asked the minister a question a short time ago but he did not answer me. I should like to have cleared up the suggestion that some hon. member on this side of the house, meaning either the hon. member for St. John's West or myself, has been talking about the fish held in Newfoundland, and that if we did not talk too much about it there would not be so much there. I want to know if the statement was made either by the hon. member for St. John's West or myself.

Some hon. Members: Carried.

Mr. Browne (St. John's West): I think the minister should be allowed to answer.

Mr. Mayhew: There has been a delegation here in connection with fish and that has been known to everybody. You have all said that you are in a difficult position, although probably that was not said in the house.

Mr. Higgins: We are.

Mr. Mayhew: That is all I was talking about.

Section agreed to.

Section 2 agreed to.

Bill reported, read the third time and passed.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will take up the motion under the name of the Minister of National Health and Welfare to set up a committee to deal with old age security. Then we will try to have the estimates of the Secretary of State for External Affairs referred to the standing committee on external affairs. We will then revert back to government notices of motion and take up the motion of the Minister of National Revenue to set up a committee on radio broadcasting. If we are successful in getting that through we will take up the motion of the Secretary of State to set up a special committee to deal with amendments to the Dominion Elections Act, 1938. If we have any time left there are a few other resolutions to be dealt with.

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

HOUSE OF COMMONS

Thursday, March 30, 1950

The house met at three o'clock.

NEWFOUNDLAND

FIRST ANNIVERSARY OF UNION WITH DOMINION OF CANADA, MARCH 31, 1949

Mr. G. F. Higgins (St. John's East): Mr. Speaker, tomorrow will be the first anniversary of the union of Newfoundland with Canada. I am drawing the attention of the house to it today because I shall not be here tomorrow. Through the courtesy of the hon. member for Shefford (Mr. Boivin), with other members I am making a formal visit to the historic town of Granby; a number of members, therefore, will not be here tomorrow.

I should like to take this opportunity to thank hon. members for the courteous manner in which they have received the members from Newfoundland since they came here as representatives from that province. I should also like to express the hope that the sympathetic consideration that has been shown Newfoundland and its problems will continue in the future. I trust that history will record the union as a happy one, and that the Prime Minister (Mr. St. Laurent) will continue to feel proud of the major role he played in making union possible.

AGRICULTURAL PRICES SUPPORT

ANSWERS TO QUESTIONS AS TO EXPENDITURE, PRODUCTS COVERED, ETC.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, the night before last I agreed to answer certain questions asked by the hon. member for Brant-Wentworth (Mr. Charlton). They are to be found at page 1205 of *Hansard*, and read as follows:

How much of the $200 million has been used in each of the calendar years since 1944?

He was referring to the $200 million provided under the Agricultural Prices Support Act.

What products have been covered? What is the amount of each product covered, and what is the amount of each product purchased under the act? How much of the butter that has been purchased is not up to the grade that it was when it was put in storage?

Most of what was asked for was answered in a return tabled on March 10 at the request of the hon. member for Melfort (Mr. Wright). I have other specific information which I shall read into the record. The information as to the amount used in each of the calendar years since 1944 is as follows:

Year	Commodity		Cost to December 31
1944			
1945			
1946			
1947	1946 potatoes		$ 170,748.48
1948	1947 apples (Nova Scotia)		3,119,274.22
1949	1948 apples (Nova Scotia)..	$1,443,231.39	
	1948 apples (British Columbia)	44,650.93	
	1948 potatoes	1,646,839.34	
	1948 white beans ...	194,419.88	
	1949 dry skimmed milk	5,043.52	
	1949 apples	867,992.33	
Total 1949 calendar year cost		$4,202,177.39	4,202,177.39
Total net cost to December 31, 1949..			$7,492,200.09

Notes: Re agricultural prices support

1. At December 31, 1949, the board held stocks of butter, honey and cheese as follows:

Honey—2,985,322 lbs. (reduced to 2,956,062 lbs. on March 25, 1950)

Butter—40,694,784 lbs. (reduced to 21,248,000 lbs. on March 25, 1950)

Cheese—18,680,469 lbs. (reduced to 17,636,153 lbs. on March 28, 1950)

2. With the exception of 1949 the net cost as shown above is approximately the amount of money required for purposes of handling products under the act. However, in 1949 the maximum funds required for financing were in the neighbourhood of $40 million, since butter, cheese, dry skimmed milk and honey stocks were held at one time in November, 1949, at a cost of close to $35 million.

3. Up until March 15, 1950, more than half of the 48 million odd pounds of first grade creamery butter placed in storage by the board in 1949 had been regraded and resold for consumption in Canada. On regrading this amount of butter about 95 per cent of it was first grade creamery butter out of storage.

The direct answer, therefore, to the last question would be that about five per cent was under grade.

COMMITTEES OF THE HOUSE

RAILWAYS AND SHIPPING—RAILWAYS, CANALS AND TELEGRAPH LINES—CHANGES IN PERSONNEL

Mr. W. G. Weir (Portage-Neepawa) moved:

That the name of Mr. Browne (St. John's West) be substituted for that of Mr. Adamson on the special committee on railways and shipping.

That the name of Mr. Ward be substituted for that of Mr. Weaver on the select standing committee on railways, canals and telegraph lines.

Motion agreed to.

Proposed Legislation

NATIONAL DEFENCE

SEA ISLAND, B.C., AIR FORCE STATION—EMERGENCY QUARTERS

On the order for motions:

Mr. J. A. Blanchette (Parliamentary Assistant to the Minister of National Defence): In reply to the inquiry made by the hon. member for Nanaimo (Mr. Pearkes) on March 23 and March 29, concerning evictions which were to take place from the emergency housing accommodation at the R.C.A.F. Sea Island station, I desire to state that information obtained from Vancouver is to the effect that owing to the progressive deterioration of the wartime constructed buildings which have been in use as emergency married quarters, and the fact that there has been some increase in availability of alternative accommodation, notice of intention to vacate the emergency married quarters by April 1, 1950, was given on December 1, 1949.

Seventy families were occupying emergency married quarters on December 1, 1949, and of these, sixteen have vacated quarters since notice was given. However, five families have been permitted to move in, so there are still fifty-nine families in occupation. No families will be put out, but extentions granted to continue occupancy must be of a temporary nature, as it is desirable that these emergency quarters be vacated as early as possible.

Mr. Green: May I ask the parliamentary assistant if there is any building project under way which would provide housing accommodation for these non-commissioned officers of the Royal Canadian Air Force at Sea Island? If not, is it a fact that the government is accepting no responsibility for obtaining housing for these men and their families?

Mr. Blanchette: I regret that I cannot answer the question at the moment. I will take it as notice.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF GEORGE A. TOUCHE AND COMPANY AS AUDITORS

Hon. Alphonse Fournier (for the Minister of Transport) moved for leave to introduce Bill No. 86, respecting the appointment of auditors for national railways.

Motion agreed to and bill read the first time.

[Mr. Weir.]

ONTARIO-MANITOBA BOUNDARY

AMENDMENT OF MANITOBA AND ONTARIO BOUNDARIES EXTENSION ACTS

Hon. J. J. McCann (Minister of Mines and Technical Surveys) moved for leave to introduce Bill No. 87, to amend the Manitoba Boundaries Extension Act, 1912, and the Ontario Boundaries Extension Act.

Mr. Graydon: There should be an explanation of this bill.

Mr. Ralph Maybank (Parliamentary Assistant to the Minister of Mines and Technical Surveys): This is a very short bill, making certain small changes in the boundary between the two provinces to correct errors which I fancy have been discovered in the surveys, and on which the surveyors have agreed. I might put it this way: that it is just to straighten out a jog.

Mr. Graydon: This has no relation to the suggestion advanced by the hon. member for Maple Creek (Mr. Studer)?

Mr. Maybank: I understand that suggestion was that Saskatchewan should be wiped out. I rather think the effect of this change will be to take away thirty-six feet from Ontario and give it to Manitoba.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN LOANS AND CREDITS TO OVERSEAS COUNTRIES

Mr. Thatcher:

1. Have any Canadian loans or credits, extended to overseas nations since 1946, been wiped out?

2. If so, what loans or credits, and in what amount?

Mr. Belzile:

1. No.

2. Answered by No. 1.

YUKON RIVER—USE OF CANADIAN WATERS FOR GENERATION OF POWER IN ALASKA

Mr. Green:

1. Has the government of Canada entered into negotiations or a contract with any corporation whereby water will be removed from the lakes at the headwaters of the Yukon river and conveyed to Alaska, there to be used to generate power for an aluminum plant? If so, with what corporation?

2. Is that corporation Canadian?

3. Is it a subsidiary company of a foreign corporation?

4. If such a contract has been entered into, what are the terms?

5. If such a contract is proposed or contemplated, what will the terms be?

6. What compensation will Canada obtain for allowing Canadian waters used for a project in a foreign country?

7. If preliminary or other work has been performed in Yukon on contemplation of such project, what has the work consisted of?

8. Where has such work been done?

9. Is any such work now in progress in Yukon, and if so, what work, and where is it being done?

Mr. Prudham:

1. No.

2. Answered by No. 1.

3. Answered by No. 1.

4. Answered by No. 1.

5. Answered by No. 1.

6. Answered by No. 1.

7. Surveys have been conducted on the Yukon river in the vicinity of Whitehorse, Yukon Territory, and in the vicinity of the Yukon-British Columbia boundary.

8. Answered by No. 7.

9. No.

YACHT "SANS PEUR"

Mr. Herridge:

1. On what date was the Duke of Sutherland's yacht *Sans Peur* chartered from the British ministry of war transport?

2. On what date was the *Sans Peur* handed over to the Royal Canadian Navy, and at what port?

Mr. Blanchette:

1. October 12, 1939.

2. October 13, 1939, at Esquimalt, B.C.

PRAIRIE FARM ASSISTANCE—ELIGIBILITY OF HUSBAND AND WIFE

Mr. Argue:

When a wife and husband are each declared eligible for prairie farm assistance on the grounds that the wife owns and actually operates a farm apart and separate from her husband, must the wife (a) submit proof that she owns her own equipment, or produce receipts for payment of custom work; (b) show proof of having purchased supplies necessary for the operation of her farm; (c) have her own permit book?

Mr. McCubbin: Proof of eligibility required for a wife claiming to own and operate a farm apart and separate from her husband is the same as for any other applicant.

COLD STORAGE—APPLES—NOVA SCOTIA

Mr. Smith (Queens-Shelburne):

1. How many applications were received for assistance in the construction of apple cold storages in Nova Scotia, during each of the years from 1939 to 1949?

2. In each of these years how many such applications were approved?

3. To whom and in what amounts was assistance given in each of these years?

Mr. McCubbin:

1. 1939, nil; 1940, nil; 1941, nil; 1942, nil; 1943, nil; 1944, nil; 1945, one; 1946, nil; 1947, one; 1948, two; 1949, nil.

2. 1939, nil; 1940, nil; 1941, nil; 1942, nil; 1943, nil; 1944, nil; 1945, one; 1946, nil; 1947, one; 1948, two; 1949, nil.

3. United Fruit Companies of Nova Scotia, Limited:

	1947	1948	1949
Canning, N.S.	....	$42,830.87	$19,987.74
Coldbrook, 1	$38,082.06	17,771.63	10,155.22
Coldbrook, 2	....	....	37,009.59
Middleton ..	....	....	36,629.90

QUESTIONS PASSED AS ORDERS FOR RETURNS

NAVY, ARMY AND AIR FORCE BENEVOLENT FUNDS

Mr. Fulton:

1. What sums have been paid out for benevolent, work by provinces, by the army benevolent fund, in each year since its inception in 1947, to date?

2. What sums have been paid out for the same purposes in the same period, by provinces, by the navy benevolent fund?

3. What sums have been paid out for the same purposes in the same period, by provinces, by the air force benevolent fund?

GENERAL A. G. L. MCNAUGHTON

Mr. Hodgson:

1. What sums of money, as (a) salary; (b) expenses, were paid to General A. G. L. McNaughton, during the year 1949, as (1) Canadian representative of United Nations atomic energy commission; (2) commissioner of the international joint commission; (3) Canadian chairman of the permanent joint board on defence; (4) chairman security council of the United Nations?

2. What income tax was paid to the government of Canada in respect of such salaries and expenses?

3. What is General McNaughton paid, as (a) salary; (b) expenses, as commissioner of the international joint commission?

4. What does General A. G. L. McNaughton receive by way of pension as a retired officer of the Canadian permanent forces?

HOUSE OF COMMONS

EASTER ADJOURNMENT FROM APRIL 5 TO APRIL 17

Hon. Alphonse Fournier (for the Prime Minister) moved:

That when this house adjourns on Wednesday, the 5th April, it stand adjourned until Monday, the 17th April next.

Mr. Knowles: Is it the intention of the government to propose any changes in the order of business for next week? In other words, if this motion carries, shall we have private members' days on Monday and Wednesday, in accordance with standing order 15?

Mr. Fournier (Hull): I would not want to be too definite about it; I would have to consult my colleagues, but that was the understanding. Next Monday would be private members' day, and the Monday upon which we reconvene would be private members' day.

Motion agreed to.

RAILWAY ACT

AMENDMENT TO INCREASE ANNUAL GRANT TO GRADE CROSSING FUND

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

That it is expedient to introduce a measure to amend the Railway Act to increase the annual grant to the grade crossing fund from $500,000 to $1,000,000 for six consecutive years, from April 1, 1951.

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

Motion agreed to.

OLD AGE SECURITY

APPOINTMENT OF JOINT COMMITTEE TO STUDY LEGISLATION, ALTERNATIVE METHODS, ETC.

The house resumed from Friday, March 24, consideration of the motion of Mr. Martin for the appointment of a joint committee of both houses of parliament on old age security.

Mr. Victor Quelch (Acadia): Mr. Speaker, had the government placed on the order paper in 1946 this resolution to set up a committee to investigate old age pensions, I think they could have been commended for their action. But when it appears on the order paper now, four years later, the people may well ask what the government have been doing in the meantime. The people will undoubtedly look upon it as a delaying action. The Minister of National Health and Welfare (Mr. Martin) admitted that that charge would, in all probability, be made. I think it is well to remember that during the war the government promised the people time and again that at the end of hostilities an over-all social security program would be brought down. Surely by now the government must have the necessary information to enable them to do that.

Unfortunately the failure of the government to enact such legislation to cover our senior citizens is resulting in various industries being required by their employees to institute pension schemes. The cost of these schemes is included in the price of the goods that the industry provides, without the general consumer benefiting in any way from such a pension scheme. Whilst there may be, and undoubtedly is, some difference of opinion as to how far a scheme of social security would have to go before it may be termed adequate, there cannot be any doubt about the need for the government bringing down this session an over-all scheme of old age pensions based upon certain recognized standards. I would say there is an overwhelming volume of public opinion behind the demand for such action. Much credit is due to the various organizations that have been mobilizing public opinion behind the demand for pensions for our senior citizens.

The minister took a great deal of time in drawing attention to what we are doing for our old age pensioners in Canada, and what is being done in other countries. It is a pity that the minister did not also, at that time, draw a comparison between the per capita wealth of Canada and the per capita wealth of those countries with which he made comparisons. I should like to have seen the minister make a comparison between what we are doing in Canada and what the productive capacity of Canada is actually capable of providing.

Let me explain what I mean by a scheme based on recognized standards. Most people believe a pension payment should buy the old age pensioner food, clothing and shelter. Most members of the house would agree that would require an amount of at least $50 per month. When the minister spoke in this house two years ago he admitted that $50 per month would not be too much for that purpose. I believe there would be general agreement, therefore, that the basic pension must not be less than $50 per month. Then, it must be all-embracing so as to cover everyone, without being subjected to the humiliating and iniquitous means test. This would enable pensioners to enjoy additional comfort as a result of the savings they may have made in the past, or which may flow from jobs they are able to do in their old age. The pension must be paid at the generally recognized age of retirement, which I think most members will agree is sixty-five. Then, as production expands in relation to demand and unemployment increases, the government could very well reduce the age to sixty, so as to enable people to retire at that age from the labour market, and make way for the younger generation.

On the question of financing, I realize that we are on more controversial ground; but if we keep on a broad factual basis, I think we shall avoid a good deal of confusion. The principle of taxation on the basis of ability to pay is widely accepted in Canada. The federal government have the income tax field, and they also have control of the national

financial policy. We in this group therefore believe that the federal government should assume the whole financial responsibility for the payment of the old age pension, and that funds for payment should be obtained in part from those with taxable incomes. I shall deal later on with where the balance might be obtained.

We in Canada have established exemptions from income tax on the ground that incomes below that level are too low to tax; that is to say, for married people we have established the exemption at $2,000 and for single people at $1,000. Apparently we take the stand that persons who are obtaining those incomes are obtaining only enough money to meet living costs, and that we therefore should not reduce those incomes further by income tax. For exactly the same reason that level of income should not be reduced by levies for old age pensions or other purposes. I therefore suggest that only income tax payers should pay into the fund. Then, at the age of sixty-five, all persons should be eligible to receive the old age pension; but to the extent that the pension exceeds the amount of the income tax exemption, the pension could be reduced.

It is interesting to note that that is the attitude taken by the Old Age Pensioners' Society of Alberta. I have in my hand a brief that I believe was sent to all hon. members. I want to quote from the first section of it, which reads as follows:

> 1. We want the pension age reduced from seventy to sixty-five years for men and sixty years for women, and the basic pension raised from $40 per month to $50 per month without the means test.
>
> We want the standard of living that is recognized in the Income Tax Act. That is to say, the ceiling on income in the Old Age Pension Act for a single man over seventy years of age is $600, but the single man over sixty-five years of age is exempt from income tax below income of $1,500. The married man with wife over seventy years old in the Old Age Pension Act has a ceiling on income of $1,080. The married man with wife is exempt from income tax if his income is less than $2,500. What we maintain is that the same standard of living should be recognized in both acts, and that the old age pensioners, single and married, should have their ceiling on income raised to the level of the exemptions on income for single and married as in the Income Tax Act. Both are based on a standard of living.

I think all hon. members will agree that that is a logical stand to take. When the committee investigates a scheme for old age pensions, I think they could well give consideration to this point. It would mean that no deduction would be made in the pensions of married persons with incomes below $2,500, and that no deduction would be made in the pensions of single persons with incomes of less than $1,500. After all, persons with incomes over that amount at the age of sixty-five would be able to live quite nicely without the payment of a pension. But in the first instance the pension should be paid to everyone, and then it could be recovered by income tax, from those with incomes above that level.

We are told that such a proposal would create a heavy financial burden. I contend that it would have just the opposite effect, that the payment of a pension of that kind would actually be an insurance, in part at least, against depression and would also provide security for our senior citizens. One of the main problems we face today is the question of markets. Lack of markets means increased unemployment, which means a reduction in purchasing power, which means a reduction in effective demand and consequently a reduction in production, resulting in depression. I therefore think it is of primary importance to maintain the purchasing power of the people at a level that is sufficiently high to buy the production of the country; because if that is not done, production will be reduced and unemployment will increase, and consequently the income tax base will be reduced. I therefore think it is of primary importance, Mr. Speaker, to maintain the purchasing power of the people at a level that will buy the production of the country.

When family allowances legislation was introduced into the house, it is interesting to note that it was recognized that the payment of family allowances would help to maintain the purchasing power of the people and would consequently help to maintain full employment. I quote from a revised draft, dated February 23, 1949, headed "Family Allowances—a Children's Charter for Canada", paragraph 4:

> As the years go by, family allowances can help to reduce sickness, disease, crime, illiteracy, inefficiency, and other social ills that have their roots in child upbringing. Since they are given to people who will spend the money, they will create a continuous demand for necessities which will result in increased production and employment.

You will get exactly the same result when you pay out money for old age pensions. Money paid out for that purpose will be spent, and consequently will help to maintain a demand against goods. Hence, Mr. Speaker, when surpluses appear and unemployment expands, the government will be justified in issuing national money for the purpose of buying our surpluses. To that extent, therefore, old age pensions should be financed by debt-free money instead of by expanding taxation, which would have the effect of reducing purchasing power. In that way you would be stabilizing the economy of Canada and helping to prevent a depression.

Old Age Security

I was amused by a statement made by the hon. member for Vancouver East (Mr. MacInnis) and quoted with approval by the Minister of National Health and Welfare. The hon. member for Vancouver East, speaking on old age pensions, reiterated the statement that was quoted by the Minister of National Health and Welfare. But in view of the fact that the Minister of National Health and Welfare was specifically referring to a statement that was made last year, I am going to refer to that statement only. I would say that this statement would undoubtedly be acclaimed by Wall street and by St. James street; and I cannot help thinking that every time a prominent socialist makes a statement of that kind there must be rumbles of deep belly-laughter in high places; because after all, if that policy is adopted, it means that you maintain a tight-money policy which bolsters the interest rate. Let me quote what the Minister of National Health and Welfare said, and it is to be found at page 644 of *Hansard*:

> I must repeat however that, whatever we do, we must take care to ensure that any program we develop lies within the capacity of the Canadian people to maintain.

I am sure that all hon. members would agree heartily with that statement. He goes on to say:

> In this connection, I will recall the statement made by the hon. member for Vancouver East as reported on page 469 of *Hansard* for October 3, 1949. It reads as follows:
>
> "Up to this point I have not said anything about how a social security program should be financed. I am dealing with broad principles and not with details. I do not believe that I have any illusions about how measures of this kind are paid for. They are paid out of the national income. That in turn comes out of national production . . ."

He goes on:

> "I say that, because there is an idea abroad that there is some mysterious source from which food, shelter and clothing can be paid for without taking it from those who produce it or have claims of ownership to it. There is no such way."

There is a remark that I should like to interject at this point. Unfortunately the number of claims coming forward at any given time are not sufficient to move your total product, with the result that surpluses occur; and if these surpluses are allowed to grow you will have either destruction of wealth or reduction of production, which of course means an increase in unemployment, reduction in production, a reduced standard of living and consequently a reduction in the income tax base. I go on to quote the Minister of National Health and Welfare:

> I believe those words of the hon. member for Vancouver East, Mr. Speaker, deserve to be re-echoed in this house. It cannot be too strongly emphasized that social security has to be paid for out of production.

[Mr. Quelch.]

Again let me interject: I am sure that all hon. members would agree with that statement, but shortly afterward the minister made an entirely different statement. I quote:

> With that in mind, what we wish to do is to develop, within the limits only of the financial capacity of our people.

If the minister had said, "within the productive capacity of the people," I would have agreed with him one hundred per cent; but financial capacity and productive capacity are two very different things. The Minister of National Health and Welfare and the hon. member for Vancouver East apparently regard the market value of the national product and the national income as being synonymous. They both ignore the fact that national income is invariably less than the market value of your national product. That is true of Canada. It is true of all highly industrial nations. Unfortunately in this country we have never set up a committee to investigate the question of the potential productive capacity of the country. But such a body was set up in the United States of America. A body of experts was asked by the Hoover administration to make a survey of the potential productive capacity of the United States. That body, under the chairmanship of Dr. Harold Loeb, made a careful analysis of the relationship between the national income and the national product. I quote from the report that was issued by the chairman in 1935, entitled "The Chart of Plenty," at page 71:

> The total national monetary income in 1929 did not equal the total price asked for the goods which could have been produced by the plant then existing. But instead of dropping prices until monetary income was able to command full production, which is the classical answer to this situation, prices were maintained and production was restricted. Consequently national monetary income did not in 1929, nor does it today, command the full production of our industrial plant. Which is another way of saying that the national income was not what it should have been. In fact since 1929 the national monetary income has been commanding an ever-decreasing volume of consumer goods, and the actual national income has become but a fraction of the possible national income.

I would not bother to take the time to quote this extract if it were merely an opinion, but it is a statement based upon facts, upon a survey made by this body of sixty engineers and experts appointed by the Hoover administration to investigate the relationship between the national income and the national production, which showed very clearly that the national income is not capable of buying the national product. But that is only part of the story. Even if the national income were equivalent to the market value of the national product, there would normally still be a lack of effective demand, owing to certain practices which are inherent in our system, such

as the practice of saving, the re-investment of savings, and especially the plowing back of undistributed profits into new production, thus causing certain moneys earned by industry to reappear as costs before being made available as consumer purchasing power, thereby of course causing a deficiency of purchasing power to that extent.

That has been the history ever since the industrial revolution. People say: Well, if that is true, why did not the system collapse many years ago? Well, you have only to take what has happened to see how that has been overcome. For two hundred years prior to 1914 England maintained a very favourable balance of trade. Reginald McKenna, former chancellor of the exchequer, said that England's prosperity was dependent upon England's disposing of a certain part of her production in that way. The money paid out in that production, which was exported abroad and for which no goods were brought back in return, was made available to buy the goods that were left in the country. The same thing is true of the United States of America. From 1914 to 1949 the United States of America had a favourable trade balance of over $100 billion worth of goods. To a lesser extent it is true of Canada. From 1935 to 1939 the Liberals were in power in this country, and on an average we maintained a favourable balance of trade of $219 million a year. Will any hon. member say that the reason we did not bring imports into the country in exchange for those exports was that the people did not need them, when at the same time we had over a million people on relief? The importers in this country knew very well that if we brought imports into the country in exchange for that favourable balance of trade the people would not have the money to buy them, and the imports were not brought into the country.

I would say that the best example of the nation's inability to purchase the national product out of the national income may be found in the financing of the last war. Hon. members will recall that during the last war we maintained our production at a very high level, and the federal government found it necessary to take approximately fifty per cent of that production for war purposes. In order to pay for that fifty per cent of the national production they raised taxation to a very high degree. They borrowed enormous sums from the people—not merely the savings out of current national income but also savings of past income. And yet in spite of the fact that they taxed at a level higher than this country ever dreamed of; in spite of the fact that they borrowed enormous sums from the people, they were not able to obtain enough money from the national income to buy the national product. Therefore during the war the government had the banking system create for their use over $4 billion worth of new money, $3 billion by the chartered banks and $1 billion by the Bank of Canada. It must be quite clear that it is not possible to finance the purchase of the national product by money from the national income. On the other hand it is true that the physical costs of servicing the country must be met out of the national product. As I have already pointed out, the national product and the national income are two different things.

It will be remembered that during the war time and again it was reiterated in this house by the prime minister, the minister of finance and others, that no financial restrictions would be allowed to impede the war effort. The only thing we had to consider was whether we had the men and the materials with which to prosecute the war. Provided that we had the men and the materials available, we did not hesitate to carry on the production of planes, ships and other things needed in the war. But what happened after the war? As soon as the war was over we found the government going back to the pre-war mentality. Instead of considering whether we could do this or that in terms of wealth, we consider whether we can do it in terms of finance. The Minister of National Health and Welfare adopted that attitude when he spoke in this house. He said: "With that in mind, what we wish to do is to develop, within the limits only of the financial capacity." You never heard that expression once during the war. Nobody ever raised the question whether we could afford the money to build a ship or a plane. It was one thing and one thing only—whether or not we had the men and materials available to do it. Now we are being told that it is a question of finance. We have the goods all right, but we cannot finance the purchase of those goods. So, as I say, the Minister of National Health and Welfare has already gone back to that reactionary pre-war mentality.

I should like now to quote from a memorandum presented to the dominion government by the Trades and Labour Congress of Canada on March 9, 1950. This is a memorandum which, I suggest, should be studied carefully by every member. I refer particularly to page 4, where it states:

> Throughout its history the Trades and Labour Congress of Canada has advocated that finance be the servant and not the master of the people. We strongly urge your government to take steps to revamp our financial operations. We note the continued existence of hungry people in many parts of the world and their needs for food and essentials of life. In Canada our producers are losing their markets rather than expanding them, only

because our financial bottlenecks prevent the necessary adjustments whereby the growing chasm between our producers and the vast potential markets for their goods could be bridged. When we see such a situation we urge your government to find an effective solution to this problem of financing our home and overseas business. We are not prepared to remain as quiet bystanders watching the failure of our financial operations which, if allowed to continue, in effect will definitely assist in the spread of communism.

I do not think truer words than these were ever spoken. I am satisfied that if in future we allow surpluses to pile up on the one hand, and people to starve on the other, and permit a condition to continue under which the people who produce those goods cannot dispose of them because people requiring them have not the money we shall be permitting a very serious situation to exist in our country.

Some say that pensions should be on a contributory basis, meaning by that a basis similar to contributions to a pension fund on an individual basis. We in this group are definitely opposed to such a proposal, and for a number of reasons.

First of all, it would not be all-embracing. Those unable to contribute would not qualify; hence people in the low income group would derive no benefits from a scheme of that kind. I have in mind particularly subsistence farmers and small fishermen. Second, if contributions are on a compulsory individual basis, we will run into constitutional difficulties, and will also require complicated machinery for collecting the contributions. In either event the scheme would be greatly delayed. If on the other hand it was suggested that these benefits be available through voluntary contributions, I would point out that we already have that machinery available in the form of government annuities. My chief objection however to a compulsory contributory scheme is that people in low income groups require their total income to pay their living costs.

One point upon which I should like to touch before closing is that consideration should be given by the committee to including within the framework of the Old Age Pensions Act people who are permanently incapacitated, either physically or mentally. Some years ago the blind were included, and we believe the time has now come to include incurables within the act.

I would urge that in reviewing old age pension proposals the committee keep one main question in mind, namely the productive capacity of Canada, the ability to provide the goods required to meet the needs of an over-all old age pension scheme. If that capacity exists, then no artificial financial limitation should be allowed to defeat it. It is time that once again the House of Commons should remember the statement made in the house time and again during the war, that anything physically possible and desirable can be made financially possible.

Mr. Little: Mr. Speaker—

Mr. Ralph Maybank (Winnipeg South Centre): It had not been my intention to make any extended reference to the position thus far disclosed by members of the Social Credit party, and I would not do so now were it not for one or two observations by the hon. member for Acadia (Mr. Quelch) who has just spoken. I believe that toward the latter part of his speech he showed a very good reason for the setting up of a committee of this kind.

I find the hon. member using a number of terms which have been used by others but from all I can understand they do not use those terms in the sense in which he uses them. It seems to me one of the necessary things in connection with old age pension, or any other social security problem, is that we clearly understand the terms, and that we all have the same understanding of them.

I caught the hon. member speaking about "contributions" as though he thought contributions were pretty much like premiums on an insurance policy—or, if he did not think so himself, that he was under the impression many others did. Well, I, and a great many with whom I have spoken, do not hold any such views. It seems to me this confusion in terms is one reason for a complete examination of the question at this time.

There is of course a sharp difference of opinion among most members of the house—and I fancy most people in the country—and the Social Credit party, with respect to the manner in which a comprehensive old age pension plan should be financed. I listened to the hon. member saying, in effect, that family allowances, to the tune of about $300 million, have done much toward upholding the economy of the country; that when family allowances were instituted, arguments in favour of them were made in this house, saying just that sort of thing.

In his statement the hon. member is correct, because such statements were made, and I think they were sound. Experience has justified the making of them. It does not follow, however, that something which is true under one set of circumstances will be equally and universally true under other circumstances. "Circumstances alter cases" is an old saying in which there is a great measure of truth. It does not follow that because expenditures of $300 million through family allowance payments do good in the way described, that the same sort of thing, to the

extent of a billion or two billion dollars, would have the same result, only in larger measure.

Surely that kind of reasoning must have some terminus. If such reasoning is applicable to money, then I am sure it would be asked why it could not be applicable to anything else. I am sure all hon. members will agree that while a drink of whisky may be exhilarating, and two drinks of whisky may be exhilarating, and three drinks—I do not know just how much further I should go in the counting, but we all know that a certain amount is exhilarating—there does come a time with practically everyone when the amount of whisky consumed does not exhilarate any longer, but rather it de-exhilarates. It knocks out. I do not know just where the taking of whisky should stop. With some of us it should stop before it starts, but some can go on for quite a while. That is the kind of argument that is made with reference to these so-called "support-the-economy payments": that if $300 million will be beneficial in supporting the economy when paid out as family allowances, an additional $1 billion paid out to old age pensioners, with the money just manufactured for the purpose, would do even more. It may be that in the proposed committee an examination of that sort of doctrine can take place. It may be that by process of question and answer we can come to an understanding of how far our Social Credit friends would like to go in this direction. It might even be that the rest of us, and the country at large, could determine how much sense there is in this doctrine and how much moonshine. Personally I have endeavoured to be as sympathetic as possible toward what I have heard, but I am forced to say I observe more moonshine than sense in social credit.

In thinking of this subject of social security Mr. Speaker, I am reminded of a line of Lord Tennyson. It is an apt axiom to guide our thinking. It is:

Watch what main-currents draw the years.

It seems to me the "main-current" of the years at present is the movement towards social security. For my part I am happy to be living at a time when men and women are paying so much attention to this, and are seeking to achieve such a benefit for themselves and others. I suggest that the achievement of social security is of necessity a process of evolution. It has to come step by step. I think that is the case with all reforms. I suggest that the Russian revolution of 1917 was an incident that should fortify us in that view. The establishment of this committee is one of the necessary steps in an evolution. I certainly approve wholeheartedly of its being set up. I think such a committee can obtain and record all sorts of information that may be of great value to the people of Canada as well as to members of the House of Commons.

Since anything resulting from the work of the committee and other conferences must have the wholehearted support of the people of Canada, it is important that all possible information should be obtained. I emphasize the point for this reason. At the present time, when Canadian government revenues are not as luxuriant as they have been—and they may continue to be not as luxuriant—a considerable number of people appear to be carrying on propaganda against what is commonly called social security, or, as they contemptuously express it at times, the welfare state. We see this not only in Canada but in a great many other countries. I believe the work of the committee can do a great deal by way of spreading facts on the record to negate this sort of propaganda so far as it is inaccurate or false.

I suggest that social security is a system to attempt to minimize the penalty for lack of financial success in our competitive society. Relatively few people can save enough in their most useful years to sustain them in the years when they are too old or too feeble to work.

Mr. Low: Yes, because the government taxes most of their incomes out of them.

Mr. Maybank: I do not know why the hon. gentleman wants to make a speech at this precise moment, but I suggest that he should not attempt to do so right now, because I want to make one myself, and I have not quite enough time to conclude the remarks I had intended to make. As I was saying, relatively few can save enough to take care of themselves in their old age or in periods of insecurity brought about by other causes. I suppose it is a fact that no person would be deliberately allowed to starve, but merely to have starvation prevented is not, as everybody will agree, social security. In my opinion social security is in the first place a recognition that those who have contributed to the national production should at least have the care of society when they cannot continue to contribute any longer. Second, it is a recognition that it should be received as a matter of right, and it should be received without humiliation.

In the motion before us we are only dealing with one aspect of social security, that of an adequate and sure old age pension. It must be that from the work of this committee a way will be seen to accomplish what we desire in the way of old

age pension. The pension must be adequate, and it must be obtained as a matter of right. I think there is widespread agreement about the question of the means test. It must go. Contrary to some of the views that have been expressed in the house, I say at once that I believe the only certain way of doing this is to provide for old age pensions as a matter of contractual right.

Because I do not expect to be a member of this committee I should like to make some observations about the sort of thing that I hope the committee will discover and place before the Canadian people. As to the question of contractual right, it seems to me that when a contribution is paid, then we have the pension on that basis, the likelihood of any government having the temerity or effrontery to change the amount or conditions of payment adversely after the contract is made is reduced to practically zero. When there is no contract, the danger of reduction or changed conditions is always present. Some government will be more solicitous of its treasury than of the aged. The socialist government of Saskatchewan, having offered, with great fanfare, an old age pension increase, seized on the first plausible pretext to cut it. Socialists like to boast they are "in the van." They were in the van in trying to pare down old age pensions. Neither their act nor a somewhat similar act in the Tory province of Ontario would have been possible if we had had pensions on a contractual basis. So, from the point of view of benefit to recipients of old age pensions, a contributory system is by far the best system for us to adopt. There was a remark from the socialist benches a moment or two ago by way of defence against something I said, and it reminds me to point out a truth. We find socialists inveighing from time to time against what they are pleased to call the tardiness or the parsimony of the government of Canada. I think every person will agree, Mr. Speaker, that old age pensions legislation is not all it ought to be; but the record of the years can be searched in vain for an attempt by any Liberal government anywhere to seek to take something away from the old age pensioners, as the socialists of Saskatchewan did at the first opportunity.

Mr. Knowles: You reduced the other income allowable a year ago.

Mr. Maybank: Not only that; for the extra $2.50 they say they give they impose a special means test on their people.

Mr. Knowles: Stick to the facts.

Mr. Maybank: Well, all right, Mr. Speaker. Apparently hon. gentlemen wish to make intermittent speeches, but these will be shown to be facts before this committee; or if they can show they are not facts, they will have that opportunity.

Mr. Knowles: Fair enough.

Mr. Maybank: That is the one sensible remark we have heard from Winnipeg North Centre. Probably the hon. member will find that he spoke too precipitately, but at least he said "Fair enough" so at this moment, on that point, we are all agreed.

A little earlier I was referring to contributions. I say a contribution is not the same as a premium under an insurance policy. I do not believe it is possible to collect contributions to an old age pension plan in exact proportion to the benefits a person will receive. Moreover I do not think it is just that people should have to pay for old age pensions in exactly the way they pay for insurance. A contribution should be made, but it should be based upon ability to pay; on the other hand the pension should be the same for all.

I have spoken about bringing out information on various matters, and there is a specific matter I would suggest to the committee. I should like to see a full examination made of existing pension schemes, with a view to determining whether it might be good policy to assist many private schemes because of the tendency of those plans to cut down the over-all burden of the social security load. Perhaps this will illustrate what I have in mind. A large number of employers have joined with their employees to effect superannuation plans. Some of these plans take the form of the purchase of a government annuity for each employee. At the time many of these plans were entered into the rate on the annuity was 4 per cent. Since then we have changed the rate to 3 per cent. That would not have any effect upon those people already employed and in the plan, but it would have an effect on those who started to work afterward. In a short time an industry may have two classes of superannuation contracts, one of which will be more costly to the employee than the other, and I submit this is not a good thing, that it does not make for industrial harmony. I think we might very well consider whether in such cases it would be wiser to keep the rate where it was, or perhaps bring the rate up in all such cases, in order to give encouragement to plans of that kind.

There is information of another sort I think should be brought out clearly so all Canadians may know the story of pensions in other countries. Socialists are fond of decrying their own country, pointing out what their

spiritual brethren do in other climes and thus contrasting what is done elsewhere with what is done in Canada. I should like to see all the facts along that line brought out in order to show just what the socialists do when they are in power, in addition to what they have done in Saskatchewan. The public should know, for example, that the spiritual brethren of the C.C.F. party first exact a toll from the people and then subject them to a means test before they grant any old age pension at all. That is the situation in New Zealand, and very much the same situation exists in various other parts of the world. In New Zealand a boy of sixteen who earns $100 has to fork over $7.50 for social security, and the greater part of that goes for old age pensions. But when it comes to paying the pension, it is subject to a means test.

The means test sometimes is said to be not very severe. Well, information on this might very well come out before the committee; but I know the means test imposed in New Zealand is sufficiently severe that while in 1946, the latest figure given in the New Zealand Year Book, the basic pension was £104, the means test reduced it to £89·2. Later figures may be found in the Statesmen's Year Book. The basic pension has been increased to £117, but the socialist means test cuts that to an average of £110. I think this gives the true measure of the socialist means test, together with the contributory system they have instituted. Expressed in dollars, the pension is supposed to be $360.35 a year, but the means test cuts it down to $341.36. In other words the payment is supposed to be $30.03 a month, but all that is paid is $28.45 a month.

This represents the C.C.F. at work. Here in the house and about the country, you know, we only have the C.C.F. at talk; and there is a vast difference. It ought to be brought out before the committee that this 7½ per cent contribution by the boy of sixteen, and by all others, is not the only payment made for this socialist old age security. A great deal of other taxation has to be collected in order that the $28.45 per month may be paid. Certainly I am no Pollyanna; I do not think everything here is right and good and perfect, and I would join with all men of good will in seeking to improve conditions. Unlike the C.C.F., however, I do not think the way to do this is by constantly decrying my own country. If our socialist friends would try to develop some pride in their country—in addition to the pride they have in themselves—instead of always depreciating it, they could be of more service to their country. I might say right now I think there is one condition that needs immediate correction. It is this ceiling on income for old age pensions. I think the ceiling should be raised at once. At present, one may have $10 per month if he is single, or $10 per month for a married couple, by way of other income, and still receive the maximum pension. I believe a pensioner should be allowed to earn more than that. He ought to be allowed to receive more of what is called "other income" before the pension is reduced under any means test.

In 1927, when the pension was $20 per month, a single man was allowed $10 of other income, and a married couple were allowed $20 of other income. Just looking at that one point alone, it would appear that the married pensioner is a little worse off in respect to this ceiling on other income. I think we should also keep in mind, when we are considering that matter, that today the dollar is a greatly wasted or shrunken instrument compared with what it was when old age pensions were started.

There is another comment I should like to make: I should hope it would be possible for this government to say to all the provinces that, so far as this federal government is concerned, there is no need to put a lien on the homes of old age pensioners. There is a great deal of fear in the hearts of pensioners over the possibility of losing their homes, and they do not like to seem to be signing away their little cottage when they go on pension. I think it would be a small thing for the government to effect that reform just as quickly as possible.

A committee such as this, Mr. Speaker, will make recommendations, despite what has been said in the house. I would expect very definite recommendations from it. I am sorry the hon. member for Eglinton (Mr. Fleming) is not in his place at the moment, because I have to speak of him. I am bound to say that not too much attention should be paid to his strictures. I could not help thinking that the way he dealt with the formation of this committee was rather like the scoldings of a shrew. I do not think too much attention should be paid to that sort of criticism. If a person scolds once or twice, he may be listened to. If he keeps on scolding a little more, he may be listened to in diminishing degree. After a while one will get into the frame of mind of putting the word "common" in front of the word "scold", and one will not listen to him at all.

The house will recall that the hon. member asserted that this committee which is being set up is powerless to make any recommendations, because the motion does not expressly say so. That grievance is clearly mythical. The power to make recommendations always

resides in a committee. This mythical complaint stems from the member for Eglinton's experience on another committee. He regaled us with all his recollections of his experiences at that time. The trouble is that his statements do not square with facts. His trouble at that time was that he did not know what his rights and duties were, and because of his ignorance on that point he was helpless, and not very useful. One might have hoped that the passage of time would cure him with respect to this lack of knowledge. Unfortunately there does not appear to have been any advance. Perhaps he is a bit like the Bourbons, of whom it was said that they neither learned anything nor forgot anything.

The hon. member also read on behalf of his party some brave sounding phrases from their platform. The platform stated his party was in favour of pensions without a means test. The statement he read goes on to say, however, that there must be provincial agreement about this. We all know, and the country knows very well, what the Conservatives mean when they talk about provincial agreement. It has been made quite plain in this house that provincial agreement means unanimity. They have made it quite plain that there cannot be any kind of development in the country unless each provincial government gives its acceptance of the proposal.

A short while ago an esteemed member made a reference to the entrance of Newfoundland into this confederation. Despite the fact he came from the opposition side of the house, he spoke in what I thought were felicitous and acceptable terms. Every person was glad to hear him speak in this manner—even happier perhaps because the words were spoken by one who was on the opposition side of the house. As a matter of fact, we who were here remember that the Conservative party would have carried this unanimity idea to the extent that they would only have allowed Newfoundland into confederation if Mr. Duplessis would not have vetoed it. The Canadian people have shown that they know quite well that, no matter what promises are contained in the first sentence of a Conservative manifesto, there will be a "joker" around the middle of it. Unfortunately for the Conservative party, the ability of the people to read is not exhausted after the first ten, fifteen or twenty-five lines of print in one of their documents.

I wish to revert to some remarks that were made by the member for Winnipeg North Centre (Mr. Knowles) about these contributory old age pensions. I believe the statements should be examined. This member has indicated he is against a contributory old age pension plan, and that his party is against it. He is in favour of a contributory plan only if everything is comprehended in it. According to him a contributory plan is all right for complete social security, but not for any part of it. This really means that he and his colleagues would favour the institution of several different sections of a social security program, one by one or all together. No one of these sections would be directly contributory. All possible sections of a social security program would have to be developed before any contribution could be required. It would be only after all sections of the social security plan had become effective that he, or they, would say the plan should be put on a contributory basis.

Just for example, take the idea of a pension of $50 per month payable at the age of sixty-five without a means test. This would involve a cost of $615 million annually, and in ten years the cost would probably be around a billion dollars. Family allowances are now about $300 million, and health costs account for quite a number of millions today. As soon as health insurance is introduced, we will expect some hundreds of millions more to be added to the social security expenditure. The socialist plan would be to have no direct contribution for any of those schemes at all until everything was complete, and then a contribution towards this social security measure could be exacted.

In the first place, Mr. Speaker, it seems to me this would be very difficult for any government to do. In the second place, the element of contractual right on the part of the recipient would not exist. I should point out, too, that even the socialists admit that benefits must be paid for by contributions or from some form of taxation.

If there is no direct contribution or tax, then there has to be payment by indirect taxation. If income taxes were doubled, it would not be enough to pay for it by way of ordinary taxation and they would have to revert to indirect taxation; that is to say, these taxes would be hidden and it would be denied that there was any contribution toward social security. My comment on that is that it is a most cruel form of taxation. It takes away a great deal from people who are least able to pay and it is just about the harshest sort of taxation there can be. Since they know that pensions must be paid for, and since they say there will not be direct contributions surely they must admit that the way they would finance social security is by many hidden taxes. The people all the time would be gulled—or the attempt to gull them would be made—that they were paying nothing for this social security. I think it is

just possible that the hon. member for Winnipeg North Centre can be credited with a smart form of political double talk.

Mr. MacInnis: You ought to know.

Mr. Maybank: Yes, I have listened to a great deal of it and I have become a fairly good judge. We have a plethora of double talk from the socialist corner and naturally I have become an expert in the discernment of it. I rather think that the acme of smart double talk has been reached by the hon. member for Winnipeg North Centre, and that his colleagues will have to look to their laurels to catch up with him. It might well be, speaking of them and this proposal and their smartness, that an entirely different judgment would be rendered by impartial people when they were speaking of their integrity; it might be.

Before I close I wish to advert to certain other statements—

Mr. Knowles: Will the hon. member permit an interjection?

Mr. Maybank: Not just at this moment, if the hon. member does not mind.

Mr. Knowles: I just want it to be known—

Mr. Maybank: I realize, Mr. Speaker, that he just wanted it; and children are always like that: "I just want it now".

Mr. Knowles: I rise to a point of order, Mr. Speaker.

Mr. Maybank: He should wait until I am through. He has no right to interrupt.

Mr. Knowles: I rise to a point of order.

Mr. Maybank: A point of order is a horse of another colour.

Mr. Knowles: I rise to say that I was prepared not to raise a point of order; but since the hon. member would not let me say that, I shall now have to do so. Mr. Speaker, is it in order to accuse another member of the house of a smart form of political double talk? If it is in order, and the hon. member wants to say it, all right. But I question whether that is parliamentary language.

Mr. Maybank: May I speak to the point of order, Your Honour. What I said was that it may well be that the hon. member for Winnipeg North Centre will be credited with an extremely high order—or low order, the nadir—of smart double talk. These were my words. It may be that he will be so credited. I added, with reference to him and others, that it is also possible that in point of integrity a different sort of answer would be reached. If that was not in order, and you so declare, Mr. Speaker, I shall bow to your ruling and withdraw it. On the other hand, referring particularly to a certain remark I made, the hon. member said: "If the hon. gentleman wants to say it." Well, I do want to say it. I said what I was intending to say. I meant it, every word of it; and even if I were forced to withdraw it, I would still think it. If I am in order, I will continue.

Mr. Knowles: To save time, Mr. Speaker, may I withdraw the point of order and say that I am quite prepared to submit my record to the people of Winnipeg North Centre.

Mr. Maybank: Quite so. I hope we can at least say that he has pronounced the benediction for himself and that he is now indicating that his contributions are closed for a little while. We cannot be sure, of course.

Mr. Knowles: That is right.

Mr. Maybank: He may want to make another remark of the same sort. I suppose, however, this sort of thing is like fleas on a dog; the dog has to put up with them.

Before I close I have to say that there are some statements attributed to my colleague, the hon. member for Winnipeg South (Mr. Mutch), with which I cannot quite agree. He, by the way, is my own member of parliament. I live in his constituency. I am satisfied with the representation I get. That is a general statement. But in certain remarks as reported in the press and in certain remarks in this house, he does not represent me adequately. There is an area of disagreement between us.

We part company, for example, when he describes the Canadian people as a fear-ridden people. He has conveyed the idea, it seems to me, that the Canadian people are so fear-ridden that they are striving frantically to effect security. Either the idea that they are fear-ridden has caused him to think that the people are frantically striving for security or else he thinks they are frantically striving for security and from that fact he concludes that they are ridden with fear. In the first place, I do not agree that the Canadian people are a fear-ridden people. I think there is a moral robustness about my co-citizens the equal of which is not to be found in most countries of the world, and which is not excelled in any country of the world. One will not deny that in every country there are some poltroons. I suppose Canada may have some but they are an inconsequential number, and as such they are clearly the exception to the general run of Canadians. I think that one should not single out an exceptional few for discussion and in such a discussion declare a conclusion about the Canadian people as a whole. Nor do I think there is a tendency on

the part of the Canadian people to lean too heavily on government. The socialist endeavour to encourage them to do so has not borne fruit. The socialists did all they could to encourage people to follow them, with all their promises of getting something for nothing. The mere fact that there is such a small number of socialists in the house is in itself an evidence tending to show that Canadians scorn that sort of idea.

Mr. Thatcher: Do not be too complacent.

Mr. Maybank: I am just laying down the facts as they are at the moment. There really was no bargain-counter rush to obtain something for nothing from our socialist friends.

Again, the party to which I belong made it quite clear that social security had to be paid for. We were quite specific about it, and there is a large number of my party representing the people of Canada in this house at the present time. This, too, tends to show that our people are not wanting to lean too heavily on government.

In my opinion my colleague is wrong when he seeks to draw a distinction between social security and social justice. I never heard of social justice as a political maxim in the course of the election. Social security, yes, but not the other. I think it is a mistake—

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member but he has exhausted his time.

Mr. Maybank: Very well.

Mr. Deputy Speaker: Has the hon. member the unanimous consent of the house to continue?

Mr. Maybank: I am nearly finished. If the house will permit me I shall conclude in a moment.

Some hon. Members: Let him finish.

Mr. Maybank: Thank you. As a matter of fact I think no distinction should be drawn between these two terms. I think that one of them is an abstract term and the other concrete. They are not antipathetical. Social security is the manifestation of social justice, or one of its manifestations. In order to get a full measure of social justice you have to achieve social security. I suggest to my colleague that it is mistaken thinking that belief in one excludes belief in the other.

It is also objected—it has been objected by him—that people make sharp inquiries about such things as superannuation when applying for employment, as though it indicated a softness or a fear. I confess I see nothing wrong with this. I think it is a mark of intelligence, not a mark of fear. After all, what is wrong with people in this day and age turning their thoughts seriously—and very seriously—and constantly, to endeavouring to accomplish a plan of security and comfort in old age? All of us can see the devastating effects of poverty. They are manifest everywhere in sickly bodies, stunted minds and problem souls. It is a fact that without help most people cannot possibly get freedom from that poverty in old age. That is to say, without help they cannot get what we call old age security. Here and there a person can struggle against grinding poverty, can make it sharpen his wits, can, through it, develop his determination and his ability. And so he will rise on obstructions to achievement. But where one triumphs over poverty a great many are broken or stunted by it. Hence it is no more than natural that people should seek constantly some means whereby penury in old age can be avoided. When we remember that one may succeed, we should not let the achievement of that one blind us to the breaking of the many.

We must never forget that poverty is wrong, vastly wrong, for it customarily produces those damaged bodies, minds and souls of which I have spoken. Therefore when people turn their minds and hearts to the avoidance of poverty they are acting naturally and sensibly. A person who thinks that way with respect to himself is using no more than common sense. When people think and strive in this fashion for the avoidance of poverty for other people their thoughts and their actions are simply applied Christianity. I cannot decry either common sense or Christianity.

Mr. W. Ross Thatcher (Moose Jaw): I was going to take only five minutes on this matter, but in view of the remarks of the hon. member who has just spoken I think I shall take ten. Probably I am a little biased, but I did not think that several of his remarks were quite fair, and they were not quite up to the speech that the hon. member usually makes. For instance, I did not like his statement that socialists are always decrying their own country. I do not think I have ever decried my country. I may have decried the government, but not our nation. I am quite proud of my country, just as proud as is the hon. member.

Mr. MacInnis: He does not know the difference.

Mr. Thatcher: I am not going to take time to rehash a lot of political arguments.

Mr. Martin: No, let us get on.

Mr. Thatcher: However, there are one or two things I should like to refute.

Mr. Martin: I am approving.

Mr. Thatcher: There are one or two things I must say. The hon. member who has just

spoken did not think that Saskatchewan has done a very good job on old age pensions. Certainly we have not done as well as we should have liked, but I can say that we have done considerably better than his Liberal friends in Manitoba. In Saskatchewan today we are paying a supplementary pension of $2.50 a month, which is not paid in Manitoba, and we are also giving hospitalization and medical care, which is worth at least $5 a month. This in total is about $7.50 a month better than my friends in Manitoba.

The hon. member who has just spoken suggested that we had a means test on the supplementary $2.50. We have a means test, but it is the means test which has been formulated and legislated by the federal government. We are only carrying it out. I am sure my hon. friend could hardly object to that. The member for Winnipeg South Centre said to his knowledge the Liberals have never cut down the old age pension. Well, they may not have cut down the pension, but in April, 1949, when the pension was raised, I remember they cut the extra income allowed, from $20 to $10 for single persons and from $30 to $10 for a married couple; therefore I think the effect was the same.

As I say, I am not going to talk politically this afternoon, but in fairness I thought the hon. member should realize these facts. I thought it was significant that the hon. member for Winnipeg South Centre (Mr. Maybank) spent five minutes dissociating himself from his colleague from Winnipeg South. Many of us did wonder whether it was significant that on the day before the Minister of National Health and Welfare brought in this resolution a parliamentary assistant—the member for Winnipeg South—was describing social security as a snare, a delusion and a fraud.

I was a little surprised too at my good friend, the hon. member for Moose Mountain (Mr. Smith), the other day, when he said that there would always be a means test on the old age pension. He said that opposition to the means test is just window-dressing. If there are many Liberals in the house who go along with that kind of philosophy, Canada's old age pensioners may have to wait quite a while for much needed reforms, from a Liberal government.

The resolution before us today calls for the setting up of a committee to study this whole question. As many opposition members have said, the chief fear we have is that the minister and the government may use this committee, as a kind of stall or a political dodge, to avoid taking action. We have seen that happen so often in the past that we fear such action today. We saw it happen on the prices committee; we saw it happen on the flag committee; and we saw it happen on the Indian committee. Repeatedly in the past, the government has used committees of this kind as a stall. We hope it is not going to do so this time.

Several weeks ago the minister gave an undertaking that this committee is not going to be used as a political dodge. I sincerely hope that his undertaking will be lived up to, because I am one who believes that this committee could serve a useful purpose.

Like other Canadians, I wish today that the government was placing before us concrete and tangible legislation which would be of some help to those who need assistance at once. After all, a committee to "study" the problem is not going to be of immediate help. Nevertheless I can realize the very real difficulties which face the government in bringing about the pension reforms that we want. I think most hon. members agree that there are about three main weaknesses in our present legislation. The age limit, of course, is too high, the amount of pension is too low, and the means test is something which is pretty vicious. All political parties recognize those weaknesses. I believe most members of all political parties today wish to do something about it. The question which this committee must decide is the best method which can be used to bring about the reforms we desire.

According to the Minister of National Health and Welfare (Mr. Martin), several weeks ago 293,000 Canadians are today receiving pension assistance. I believe he stated that the federal government is paying $103 million annually toward the cost, and the provincial governments are paying $32 million. In most places in which I have been in Canada I have frequently heard three specific reforms asked for. Most Canadians want a pension of at least $50, an age limit of sixty-five, and the abolition of the means test. That is the platform of the C.C.F. party, and I subscribe to it. Under certain circumstances, I believe it is absolutely feasible.

What would these reforms cost? As near as I can ascertain—if the means test came off, the number of pensioners would immediately rise from 293,000 to 675,000. Again, if my figuring is correct, such action would increase the cost of pensions to about $330 million. Then, if in addition we brought in the other two reforms, namely the age limit of 65, and the pension of $50 per month, it would cost about $660 million.

Every citizen will realize what that would mean. It would place an almost staggering burden upon a budget which, as we saw the

other night, is already bursting at the seams.

There is one other point to remember, and that is the fact that medical science has made tremendous progress since the turn of the century. If it continues to make the same progress in the next fifty years, Canadians may hope to live to the age of ninety years. A child who was born at the turn of the century, could expect to live only forty-eight years in Canada. Today, in Canada a male child has a life expectancy of sixty-six years and, a female child, seventy-one years.

All this can mean only one thing, so far as old age pensions are concerned, and that is that pensions are going to be even more costly in the future. The hon. member for Winnipeg South Centre (Mr. Maybank) stated that C.C.F. members are always crying for something for nothing. I say that is not correct. We C.C.F. members who want pension reforms have no illusions, as the hon. member for Vancouver East (Mr. MacInnis) has said, as to how they have to be paid for. They have to be paid for out of work, out of production, and out of the pockets of the taxpayers.

During the past week I received a letter from a trade union in the city in which I live. Last week I voted against a pension amendment offered by the Social Credit group, because it called for the deletion of the word "contributory". This union, which is one of the largest in my city—I believe it has about twelve hundred members—has written to me, and I should like to place several paragraphs of the letter on *Hansard*. They say:

> Our organization wish to express their disapproval of the stand taken by yourself in the recent debate in the House of Commons on the question of old age pensions . . . We feel that the matter of old age pensions is a direct government responsibility, and cannot see the necessity for all workers to contribute to their old age pensions.
>
> Trusting you will reconsider . . .

That union has done a wonderful job for the workers of Moose Jaw. Politically, I owe a great deal to it—indeed, I suppose I might not be here today if it had not supported me. Nevertheless, as their representative I must tell them that in my opinion they are labouring under a delusion and a misapprehension, if they believe that they can have pension reforms without contributing in one way or another to the cost. I wish they could have them without paying, but I am afraid the facts of life are otherwise. I have advised them accordingly.

I would like to see the means test removed right away, if we can find enough money to take such action. However, I admit frankly that if the means test is removed, it will probably have to be done on a completely federal basis. I think of the government in my own province of Saskatchewan. I do not know what would happen if tomorrow morning the Minister of National Health and Welfare said, "We are going to eliminate the means test on the present basis." Such action would mean that the provincial government would have to pay a quarter of the cost. Frankly, I am afraid the government in Saskatchewan, and those in eight or nine other provinces, would have to renege, because they would lack the funds to pay that 25 per cent.

If the means test is to be eliminated—and I say again I would like to see it eliminated—it will have to be done on a federal basis. Otherwise the federal government will have to give the provincial governments other sources of revenue. It is as simple as that.

I said a moment ago that I believe the C.C.F. program for old age pensions is a feasible one, but I also say that I am one who believes it is feasible only if pensions are to be on a contributory basis of some kind. I do not care what method is used, whether it is a flat levy on earnings, or whether the worker pays so much, the company so much, and the government so much. But I do believe that if we are going to have pension reform in Canada it has to be on a contributory basis of some kind. One such method has been advocated by the leader of my party. He has said that there should be a levy on all earnings above a minimum level, according to ability to pay. There may be difficulties in the way of bringing about a contributory old age pension scheme. The constitutional angle for instance has been mentioned.

I believe, however, that if there is a genuine desire on the part of the federal government, and a genuine desire on the part of provincial governments, we can soon have a contributory old age pension scheme in this country.

Let me repeat that I support the setting up of this committee, because I believe it could lay the groundwork for decent old age pensions in Canada. It seems to me that it is common sense to study the systems in New Zealand, Australia, Great Britain, the United States and elsewhere, to reject the worst features of those pension schemes, and to take the best features in order to weld together a system for Canada.

I take the word of the minister, that this committee will not be a smoke screen; I hope he meant what he said. When the vote comes I shall support the motion.

Mr. J. H. Rooney (St. Paul's): Mr. Speaker, I should like to clear up a statement made under date of September 27 last when the

Evening Telegram of Toronto carried a charge made by the Toronto labour council that "Rooney campaigned for 60 at 60 without the means test, and then voted against it when it was brought up in the house".

Under date of October 5, 1949, I received the following communication from the Toronto district labour council:

Be it resolved that the Toronto labour council condemns:

(a) the attitude of Toronto and district Liberal members of parliament who recently refused to vote in favour of a motion in the Canadian House of Commons abolishing the means test for old age pension despite campaign promises to the contrary, and

(b) the action of the Toronto *Daily Star* in suppressing the news of this vote in its columns.

And be it further resolved that we instruct the secretary to write to all Toronto district members of parliament who failed to vote against the means test requiring an explanation of their stand and communicate our feelings to the *Toronto Star* trustees.

Anticipating your reply, I remain

Yours truly,
Gwen Richardson,
Office Secretary.

My answer dated October 7, 1949, reads as follows:

Toronto District Labour Council,
167 Church street, Toronto.

Sirs: Your letter of October 5, 1949, received and contents noted.

I was sorry the Toronto labour council took the attitude it did in condemning people without knowledge of the facts. I also take exception to your Eamon Park, publicity director of the united steelworkers union, when he stated that I had campaigned for pensions without a means test. Never during my campaign was the means test mentioned.

If your body wishes my co-operation, as I had promised to you under a letter from me dated June 4, and addressed to W. D. Kearns, vice-president, Toronto district labour council, Labour Temple, 167 Church street, Toronto, I would ask you to make sure of the facts before you put my name in the paper or pass any resolutions. I am enclosing circular dated May 30, 1949, from the Toronto district labour council, and I am also enclosing a copy of my letter as outlined above, in answer to same. You will notice that in my letter on your circular nothing was said of the means test.

In reference to paragraph (b) of your resolution I would say that the Toronto *Daily Star* was right in not publishing this news until they were sure of the facts, and may I be bold enough to say that it would be far better for your council to do the same thing. Over the period of years that I have been in the city of Toronto I believe I have done much to secure work for the unemployed, and it is my intention to carry on that work. I have never done this work from a political standpoint. I did it because during the trying times of the thirties I knew the hardship of the unemployed.

I am also enclosing my campaign pledges, and for your information in my campaign addresses I only appealed for the support of those who thought I had done a fair job for the people of St. Paul's. Anyone in the city of Toronto to whom I could be of assistance always knew that my door was open. I am your friend. I have always been, and I hope to continue so.

Sincerely yours,
J. H. Rooney.

I did not use the abolition of the means test as a campaign issue, Mr. Speaker. I never spoke on any political platform nor over the air on the abolishing of the means test. Furthermore, I never at any time even mentioned the means test in any of my campaign literature.

Mr. Noseworthy: Are you in favour of removing it?

Mr. Rooney: I did not campaign on the means test last June—and this is your answer—but I am and always have been one hundred per cent behind the abolition of the means test. I am not only behind it; I beg this house and this government to be the ones who will make it possible. I am, however, going a step further than my colleagues. I advocate $60 at sixty years. Members of the house are professional and business men. My friends over there are laughing at me. I ask you man to man whether you would hire a man of sixty years of age or over? You know and I know that you would not. I am besieged with letters and telephone calls every day from men who are unemployed. The vast majority of them are from fifty up to seventy years of age. They spend days, weeks, months at the unemployment offices. You and I know that the vast majority will never be placed.

Have you ever taken a look at a man of sixty years of age who has earned his daily bread as a labourer?

Mr. Fleming: The minister should listen to this.

Mr. Rooney: Have you ever taken a good look at a man of sixty years of age who has carried coal on his back for thirty years? Have you ever taken a good look at men who have toiled in offices, shipping rooms, et cetera, from the time they were boys of seventeen and eighteen years, and have never got to first base? I have—

Mr. Noseworthy: Tell that to your minister.

Mr. Rooney: You and I know that the vast majority of men who have managed to keep themselves and their families in a respectable way, and still have managed to call the roofs over their heads their own by the time they are sixty or sixty-five years of age, are very lucky men. They are also very tired men. My plea for old age pensions is not just an impossible fancy. I base it on my experience

during the depression. I do not think there is a man in this house who can speak with the experience that I had during the thirties. In the mornings, from 9 o'clock on, my room was filled with the finest of young Canadian citizens ready and willing to work, but what did we do? I am sorry to say we did nothing. Yes, we gave them a small hand-out every week, but if we had added another $7 per week and put them to work doing something, for example, building roads or power plants, things which we are now doing, it would have saved their morale, and in turn we would have had something to show for the extra money paid. We have nothing to show for the hand-out.

The city of Toronto has a wonderful island within its boundaries. We could have had a paradise and a great asset to the city. I tried and they said it was not practical, that Rooney was a dreamer. I acknowledge I am a dreamer. I dream that in some small way I can bring happiness to everyone in this great country of ours which has so much to offer but not people with enough imagination. You will want to know where the $60 per month comes in. If we retired those who were sixty years of age we would thereby make work for those seventeen and eighteen and over who are out of work. If we do not, what do you expect these young people to do? That is the source of so much of the juvenile crime about which we hear so much today.

You will ask how it is to be paid. There are many ways. As an accountant holding the degrees of C.P.A., F.A.E. and R.I.A., I hope you will appreciate that I know bookkeeping entries. Let us think of Donald Gordon, chairman and president of the Canadian National Railways, who, when appearing before the royal commission on transportation, gave the following information and plans. He pointed out that interest-bearing securities held by the government amounted to $760,494,825.11, and that interest received by the government during 1948 was $21,627,-032.82. Then the house is asked to vote to cover a deficit of $33,532,741.12. The suggestion made is to exchange the $760 million of interest-bearing securities held by the government for equity capital, and that the government should acknowledge an indebtedness to the Canadian National Railways in the amount of $300 million to bear interest at 3 per cent until discharged. This would be set up in the accounts of the Canadian National Railways as a capital fund to be drawn on from time to time to retire interest-bearing obligations in the hands of the public, or for capital additions to the property.

[Mr. Rooney.]

I cite this as an example. Let us set up a fund, the capital assets for which would be our citizens and resources which are unlimited. I realize that during the last fifty years a steady and constant rise has taken place in the average length of life of the people and that life expectancy has increased by about one-third. For instance, a child born in 1900, according to the insurance companies, had a life expectancy of forty-eight years. Today a male child has a life expectancy of sixty-six years and a female seventy-one years. If medical science makes as much progress in the next fifty years we can look forward to a span of life of ninety years. I know that would mean changes in our economic life, and we would have an enormous new demand for certain types of goods and services. If we have to worry about what will happen in 1971, I say give Canada back to the Indians and let us start over again. Canada will be a great nation with a large population and well able to look after her citizens by 1971; and by 1988, if we have imagination, we should be as big and as prosperous as our neighbour the United States and have our own gold, which God put in the ground for us, to back our dollars and our obligations.

In connection with mining I want to quote from *The Northern Miner*:

> This year the Canadian mining industry will reach a grand total of $2 billion paid in dividends.
>
> Last year the mines distributed a record of $118 million.
>
> That was more than the combined dividends of—
>
> all the banks
> all the oils
> all the liquors
> and all the pulp and paper companies.

At present the basic pension is $40 a month at the age of seventy, with a means test. The federal government contributes $30 and the provinces $10, while some provinces are paying bonuses. According to my figures British Columbia now makes an added payment of $10 without the means test. Alberta pays an additional $7.50 without the means test. Saskatchewan pays $2.50 with the means test; and in addition all three provinces provide complete medical care and hospital service free of charge. I know the removal of the means test would bring in the remainder of the 625,000 citizens in Canada over seventy years of age, according to my figures, or the 675,000 according to my hon. friend.

This is a great country, but we must realize the fear of the aged. Freedom from fear was set down as one of the great freedoms for which mankind longed; but the fear from which the aged seek freedom is intense and practical. It is the haunting fear not only of lack of means but of facing failing health

alone without the assurance of some place of care and someone to care for them. That, Mr. Speaker, is our responsibility.

I have in my hand an account of the Moose River mine disaster in April, 1936, with which hon. members are familiar. All Canada stayed awake to hear news of Alfred Scadding, the late Dr. D. E. Robertson, and the other man who died in the mine. Remember, Mr. Speaker, there were three citizens; and all Canada stayed up to get the news about them. The other day in Ottawa a boy found some radium. All Canada was interested to learn what was going to happen to him. Remember, Mr. Speaker, in this case it was one boy. On March 1 of this year two miners and one mule got caught in a mine at Pottsville, Pennsylvania. Sixty diggers cleared away tons of coal, timber and so on, with their bare hands, and saved the men. Pete the mule was too big to get through the hole. At last reports they were feeding Pete and digging to rescue him a thousand feet inside a mountain. Remember, Mr. Speaker, in this case there were two men and one mule. I could go on and on, telling this house of the expense and work we would put forth to save someone in danger. Let us remember that we have 625,000 citizens in Canada, many of whom are equally in danger. Let us look after them.

I have read with interest the remarks of the Minister of National Health and Welfare (Mr. Martin) on March 10, 1950, in moving for the appointment of a joint committee of the House of Commons and the Senate on old age security. I believe this is a good start, and I will await their findings with interest. I hope the proceedings will not be so drawn-out that this house will die of old age in the meantime, since I notice that the first committee of this kind was set up in 1908, while we had another in 1924. Now, twenty-six years later, we are to have still another. I ask this committee to consider a contributory old age pension of $60 a month at sixty years of age, without a means test.

I remember reading some time ago a poem which I should like to quote:

> I hope some fellow will lend a hand
> To help my mother, you understand,
> If ever she's poor and old and gray,
> When her own dear boy is far away.

Let us help them while God gives us time. My hon. friend across the way seemed to enjoy himself while I was speaking. I have a book here which gives the history of what I and my associates did during the depression, showing the close co-operation we received in all parts of Canada. Also, for my hon. friend's information, I might say that the Save the Children fund in London, England, carried the name of Jim Rooney, together with the name of a man from India, for the work they did during the war. So while I am ashamed of my hon. friend over there who has been laughing, I should be very glad to show him our record in the city of Toronto.

THE ROYAL ASSENT

Mr. Deputy Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, March 30, 1950

Sir,

I have the honour to inform you that the Right Honourable Thibaudeau Rinfret, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, Thursday, March 30, at 5.45 p.m., for the purpose of giving the royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
J. F. Delaute
Assistant Secretary to the Governor General

OLD AGE SECURITY

APPOINTMENT OF JOINT COMMITTEE TO STUDY LEGISLATION, ALTERNATIVE METHODS, ETC.

The house resumed consideration of the motion of Mr. Martin for the appointment of a joint committee of both houses of parliament on old age security.

Mr. C. J. Henry (Rosedale): In rising to take part in this debate, Mr. Speaker, since time is short may I say at once that I support the motion. As all hon. members know, considerable progress has been made throughout the world, particularly during this post-war period, in the matter of old age security. Better standards are prevailing today than were dreamed of in the years before the war. Canada holds a particular place of world leadership in this panorama of progress toward better standards of old age security. We Liberals take second place to none in wanting to see those standards maintained, because welfare enterprise goes hand in hand with private enterprise as far as we are concerned. Today it is a competitive race, as it were, in the field of welfare enterprise, to the end that private enterprise may survive and that we may have a system of old age security in Canada, amongst other things, which will enable democracy to prevail.

I direct the attention of hon. members to the fact that there are on this continent two great democracies, one in British North America, and the other in the United States of America. This problem of old age security

is one of strictly internal concern to Canada, but I say to you, Mr. Speaker, that there is some necessity for setting our standards in accordance with those of the great democracy to the south, because it has always been the case that we must go shoulder to shoulder in many economic matters. I am adopting the comparative approach to this problem. I would remind hon. members that before Canada was a great industrial nation Canada was known primarily as an agricultural nation. In those days before 1920 a lost legion of Canadians were attracted towards the higher wage structure of the United States. That lost legion remained static in numbers throughout many years following 1920. It reached its greatest peak in the thirties, and I am glad to say the figures show that it has been steadily decreasing up to 1940, the year in which the last figures are available.

In 1940 there were 1,060,000 Canadians in the United States and when I say "Canadians" I mean people who were born in this country. Going back to 1930, the figure was 1,280,000; and in 1920, 1,125,000. It comes to this, then, that in the year 1940 we had something over 1 million Canadians in the United States. As against this, mention must be made that in 1941 there were 312,000 United States-born citizens in Canada. This reduced the lost legion, as it were, to approximately 748,000 Canadians. I say that this matter of a demand for wider social security today is bound to affect the wage structure of a young industrial country like Canada.

Let this committee consider what they have done in the United States about the question of old age security. Let this committee consider, too, what the United States may do within the near future. It is not my intention to tell the house at this time what the United States proposes to do; that will be a matter for investigation by the committee. But as the minister has said in his address to this house, there are some states in the United States that do provide old age pensions higher than the average in the United States, and higher than the average in Canada. The minister has referred to the fact that the average pension in three states of the United States is $60 per month. Those states are Washington, Colorado, and Massachusetts. There are six states of the United States in which there is a pension of $50 per month paid on the average. They are Alaska, Arizona, Connecticut, Nevada, New York and Oklahoma. This structure, of course, has to be taken in the light of the United States average which, I believe, is something in the neighbourhood of $46. I know all hon. members in all parts of the house were glad to know that the Canadian average monthly pension for the aged stands up favourably in comparison with our neighbours in the United States.

This structure for old age security in the United States, Mr. Speaker, has produced certain direct results which are attractive to labour, business, and all others concerned with old age security problems. There is a federal old age security system in the United States —it is called "contributory" because there are contributions by the employer and the employee. These contributions towards a monthly pension yield about $26 per month on the average at the federal level without any means test. In other words, this is the basic pension upon which the whole United States structure is founded. It is the key to the pension system of the United States, which has enabled labour to negotiate pensions, over and above that basic pension, as high as $100 per month in the state of Michigan. This has been accomplished by the employees of the motor industry. Labour has been able to negotiate similar pensions in other industries throughout the country at roughly similar figures. It is this basic pension which we lack in our social security system in Canada today.

As for the remaining part of the United States structure for old age security, it is similar to the Canadian structure because we have on top of this a non-contributory federal-state structure similar to that which exists here between the dominion and the provinces. I urge upon the committee serious consideration of the present benefits at the federal level in the United States. I mention again that $26 per month which is available without a means test. I urge upon the committee the thought that this is a basis upon which to negotiate pensions in the various industries organized within the framework of the labour movement of the United States. I urge upon them the thought that there may be a pension of $100 per month negotiated by labour in Canada if we have such a basic pension in this country.

Before leaving my discussion of the United States pension structure, I should like to draw to the attention of the house the figures taken from the 1934 house of representatives report upon social security in the United States; that was about the time old age security was introduced in that country. In that report, there are figures which show the delayed benefits under the American system. These delayed benefits are benefits that arrive after 30 years of service, and 30 years of contributions under the federal part of the scheme. Where a person is receiving the average salary of $175 per month, after 30 years of contributing under that scheme, a monthly benefit arises of $51; where the

salary is $200 per month and there has been 30 years' service, under the United States system a monthly benefit arises of $61.25.

I conclude this part of my remarks by giving my submissions to this committee. In my view, the means test must go because it favours pauperism and snooping into the thrift of our Canadians. One more thought about the means test, Mr. Speaker. It must go because, in my view, it is childish. The premature retirement of our aged people from the labour pool is unthinkable in this day and age. One forces children to bed, Mr. Speaker, but adults retire.

The next submission I should like to make, Mr. Speaker, is to urge upon this committee to examine the world picture. In the British commonwealth, there seems to predominate a common age of sixty-five years for old age security. In the dominion-provincial conference of 1945, a lowering of the age to sixty-five was recommended, and I urge this age limit upon the committee. Finally, I urge it upon them because it is equivalent to that of the United States, which is the one country that goes along with Canada in preserving private enterprise and the democratic way of life on this continent. The last suggestion I make is to let the committee look into the United States system, with its basic pension of about $26 monthly, which will enable labour to do its part in its way to bring up the standard of negotiated pensions on the Canadian side to that on the United States side. Let them consider the states that exceed the Canadian average with $60 at 65. Let this committee find out how that was done. I am sure that no hon. member of this house, including myself, wants this committee to recommend anything which is beyond the means of Canada to pay. But nevertheless, in this competitive scheme of welfare enterprise as between the United States and Canada, we must consider everything which has been done in that country. The minister in his address to this house was quick to point out that in the states of the United States where the payment goes as high as $60 at 65 on a monthly basis, these figures in excess of the Canadian average have been obtained by special contributions on the part of the states involved.

I am going to make a suggestion to one of the most co-operative men in the province of Ontario, namely, the premier. I think that when this committee report comes out, he will be able to gain much from it; and it is not beyond the realm of possibility that, in the light of this report, if this committee does its part in recommending the abolition of the means test and in recommending the lowering of the age, it will lead to co-operation between the provincial government and the federal government on the question of increasing our pensions by joint contribtuions between the provinces and the dominion.

This is the twentieth century, Mr. Speaker, and it has belonged, up to the first half, especially to Canada. Canada is an industrial nation and not the agricultural nation it was in the twenties. Let every hon. member be vigilant to watch the wage structure and the comparative social security measures available in other countries on this continent for those who may choose to go there. Let us keep Canada for Canadians. I think that we must go forward with social security measures at this time and maintain our place in the world panorama. I am not one who says we will kill incentive by doing these things. There was the visit to Toronto of the hon. member for Winnipeg South (Mr. Mutch) and briefly, I say this about his speech: although he is a colleague of mine on the government side, he said "much too Mutch" for me. I repudiate his statements and place on the record my remarks here today.

Look at the United States of America! Look at this Dominion of Canada! A war effort was ours which knew no bounds and a war effort was that of the United States which knew no bounds. If you look at the maintenance charge figures of the United Nations you see there world production figures which reflect what the various countries of the world do in terms of world production. The maintenance charge figures assessed against the great nations of the world are as follows. The United States pays about 40 per cent of the cost of that great organization; the Soviet union pays about 6 per cent and our country pays about 3 per cent. Those are figures which indicate what took place on the North American continent; and the war effort of Canada and that of the United States was not killed or delayed by social security measures. Let us have no fear about welfare enterprise at this time in aid of private enterprise. Let this committee give us a national minimum of old age security within the capacity of this country to pay. Let them weigh the facts. Let them be the judges. We shall receive their recommendations with all due respect.

Mr. J. G. Diefenbaker (Lake Centre): I am not rising to say a great deal, Mr. Speaker, in regard to this matter. But in view of some of the remarks made by the hon. member for Winnipeg South Centre (Mr. Maybank) respecting the policy of the Progressive Conservative party, I feel that a few words would not be amiss. There is not a great deal at this time that one can add to the discussion; after having heard the Minister of National Health and Welfare (Mr. Martin), the hon.

member for Spadina (Mr. Croll), the hon. member for Eglinton (Mr. Fleming), the hon. member for Winnipeg North Centre (Mr. Knowles), and representatives from the other parties, there is little left to be said. But as I listened this afternoon to the variety of opinions expressed by members supporting the government, I certainly agree that if any recommendation can come out of this committee, if it is composed of the members who have spoken this afternoon, the majority of them on the government side of the house, it will indeed be one of the most successful committees that have ever been set up in parliament. Even the parliamentary assistants cannot agree among themselves. The parliamentary assistant does not agree with the minister.

Mr. Fleming: The minister does not agree with himself.

Mr. Diefenbaker: As I listened to the last speaker, I noticed that he raised the ante to $100 a month. The hon. member for St. Paul's (Mr. Rooney) raised the ante also and decreased the age. Certainly all you have to do, Mr. Speaker, is to have your own opinion, and there is something for everybody. As I listened to the debate this afternoon it appeared to me that parliament had now become an auction market where each exceeded the other in the variety of the suggestions that were made. You pay your money and you take your choice. What a variety of suggestions were made! What a series of auction market promises were advanced!

An hon. Member: What is your bid?

Mr. Diefenbaker: Yes; my hon. friend says "What is your bid?" That is a serious situation, as I see it, in discussing a matter of such importance as that of a social security program for this country. Indeed, as I listened to some of these hon. gentlemen speaking I found it difficult to understand why they voted as they did last fall on an amendment that was proposed in the house to the address in reply to the speech from the throne, which had to do with the removal of the means test. They could have found themselves at that time in a position where they could not successfully vote against such a resolution.

Mr. Knowles: They all did it.

Mr. Diefenbaker: After all, Mr. Speaker, it is not the voice that counts in the House of Commons, it is the vote. It is not the opinion one voices as to what social security measure one wishes, but it is how one votes when one has an opportunity to convey one's wishes to the people of Canada. But it does look to one, even of a not suspicious turn of mind, as an endeavour on the part of the government to postpone and procrastinate on this problem. Indeed it is not consonant with some of the promises that were made during the election campaign.

Many of the older citizens of this country believed that, if the present government were returned, old age pensions without a means test would be provided. Today there is disappointment among the hundreds of thousands of the older people across Canada, when they know that this matter is not to receive the attention of parliament at this time, but that there is to be a further postponement.

I cannot see this committee carrying out some of the promises made during the election campaign. The minister said that at no time was there ever any suggestion by any minister of the crown of the removal of the means test. That is as I understood his challenge. Well, I checked up the records, and I found that the Minister of National Defence (Mr. Claxton) made a radio address from Montreal on June 16, 1949, over station CFCF, and that was pretty close to the election. This is what the minister said:

> The government will do away with the means test for old age pensions.

That is contained in the radio speech as reported in the Montreal press. Then I refer to the promise made by the Minister of Fisheries (Mr. Mayhew) at Nelson, British Columbia, on May 29, 1949, as reported by the Canadian Press. He extended the promise considerably when he said this:

> Provision of hospital services for the people of Canada and compulsory contributory superannuation are measures expected for the next session of parliament if the Liberal government is returned.

These two promises made by ministers were in keeping with promises made everywhere in this dominion.

Mr. Knowles: It is always the next session.

Mr. Diefenbaker: Today, sir, in this house one hon. member after another rises and says: We believe in old age pensions without a means test, but we never said anything about it in the election campaign. Oh, Mr. Speaker, how this attractive promise was forgotten and not referred to is indeed an example of political campaigning that deserves the serious attention of this house. Those were the promises. Today what the people of Canada, including the old age pensioners, get in place of the carrying out of those promises is the setting up of a committee.

I rose for the purpose of suggesting an additional power for this committee, because the motion will pass. Since the motion will pass, it is the responsibility of all of us to

endeavour to give the committee powers to meet the situation as we see it in our country today. The resolution reads as follows:

> That a joint committee of both houses of parliament be appointed to examine and study the operation and effects of existing legislation of the parliament of Canada and of the several provincial legislatures with respect to old age security.

I suggest that that does not mean very much. That information is now available, and no committee will secure any further information than the old age pension administration has today. Further on, the resolution reads:

> . . .possible alternative measures of old age security for Canada, with or without a means test. . .

The door is left open there. "With or without a means test." That is a far cry from the promises made during the election campaign. I continue:

> . . .including plans based on contributory insurance principles; the probable cost thereof and possible methods of providing therefor; the constitutional and financial adjustments, if any, required for the effective operations of such plans and other related matters.

It is not with this that I am dealing. What I would like to suggest to the minister is this. In Canada today many companies are setting up pension schemes of their own. Last December the CIO made a declaration in favour of a retirement pension of $100 a month. In various industries the matter is being discussed. Plans are being formulated much along the line of the human engineering that is being done today through many large corporations in the United States. Yet in this resolution there is no provision to have representatives from labour and from industry come before the committee.

Mr. Martin: I hope they will be called.

Mr. Diefenbaker: But there is no power.

Mr. Martin: Oh, yes.

Mr. Diefenbaker: If the minister will allow me—there is no power to correlate their plans with the national plan. In many parts of the country today we find haphazard pension schemes being set up. When I say "haphazard" I mean haphazard with reference to a national scheme. Before this committee is set up there should be some declaration from the minister on behalf of the government of Canada as to the entire plan. What is the social security plan that the government has? It should not be done by dribs and drabs, by bringing in one measure after another, but by setting up in detail a national plan for a period of ten or fifteen years in advance. Once having declared that national plan, labour unions and representatives of industry should be brought before the committee so that their plans could be correlated and made to fit into the over-all national plan. If something along that line is not done, and if the national plan is not announced in advance, by setting up the committee we are going to find ourselves in a few years with the national plan on the one side, and with company plans on the other, and it will be impossible to correlate them into the national plan. I feel sure that the minister would be doing a worth-while work on behalf of his plan for national security in the years to come if he announced it, because I have read everything he has said on the subject. I have read his speech, and I listened to it with attention. But I see nothing of a national plan. I see merely an endeavour to deal with these matters one at a time, instead of having a great panoramic plan which will set forth the objectives, the aims and the means. Having done that it would be possible to bring into agreement the national plan as well as company plans.

I do hope the minister will consent to the amendment to the motion setting up the committee. I have been on committees and I know that when anyone gets into committee and wishes to raise a question as to whether a certain power is within the ambit of the reference, he finds himself up against a difficulty.

For instance, I see no power to report, and I support the hon. member for Eglinton (Mr. Fleming) in the position he expressed in that regard. The minister says the power is there. Well, certainly there is an inherent power; but there is no actual power granted to any committee set up to bring in recommendations. And if the government decides it does not want a recommendation that the means test be removed, then there will be no such recommendation.

That is the experience of every committee. In addition to that, if the government decides that it does not wish to have these company plans looked into, they will not be looked into. I suggest to the minister that he add a clause to provide for the convening, at the time the committee sits, of representatives of labour and of industry in those companies which today have company plans as well as those which have plans in contemplation, to the end that they will build their plans within a national plan.

I say that in all seriousness, because in the United States today the difficulty is becoming more apparent from year to year that within the national plan there is duplication with company plans, when such company plans are brought into operation.

In regard to the general question of old age pensions, our policy, the policy I support, is set forth in our party program. It is to

this effect: A contributory social security program providing for retirement pensions at sixty-five, without a means test; and then there are various other matters not related to this motion.

No one need make any argument as to the removal of the means test. I think every hon. member would like to see it removed. Yet there would be no opportunity to vote on that question, unless the minister were to give his undertaking first that an opportunity will be given in that committee to vote as to whether the means test shall be removed and, secondly, that the committee will be given the opportunity to make recommendations.

If the minister will rise in his place at the conclusion of this debate and assure the house that the committee will be allowed to vote on the question of the removal of the means test, then I shall begin to see some reason for the setting up of the committee. If not, then it looks to me like postponement and procrastination.

Mr. Noseworthy: May I call it six o'clock?

Mr. Speaker: The debate will be interrupted while the house goes to the Senate.

THE ROYAL ASSENT

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

Mr. Speaker, the Right Honourable the Deputy of His Excellency the Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly the house went up to the Senate chamber.

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give in His Majesty's name the royal assent to the following bills:

An act to amend the Agricultural Products Act.

An act to amend the Agricultural Prices Support Act, 1944.

An act to amend the Continuation of Transitional Measures Act, 1947.

An act to amend the Fisheries Prices Support Act, 1944.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

OLD AGE SECURITY

APPOINTMENT OF JOINT COMMITTEE TO STUDY LEGISLATION, ALTERNATIVE METHODS, ETC.

The house resumed consideration of the motion of Mr. Martin for the appointment of a joint committee of both houses of parliament on old age security.

[Mr. Diefenbaker.]

Mr. J. W. Noseworthy (York South): Mr. Speaker, we have before us tonight a resolution calling for the setting up of a committee to study all phases of the question of old age pensions. When the Minister of National Health and Welfare (Mr. Martin) introduced this resolution on March 10 he made an eloquent and stirring appeal on the necessity of having this committee set up. When we heard the echoes of the minister's speech reverberating in the words of the hon. member for Spadina (Mr. Croll) we were led to believe that the setting up of this committee would mark an epoch in Canadian history. Some of us might be pardoned if, on listening to the minister, we thought this was the first time parliament had given any thought to the matter of old age pensions. One would hardly believe that old age pensions had been in effect in this country for over twenty years, but would have thought we were starting from scratch, with no knowledge at all of the subject.

The minister gave a long account, pointing out in great detail the various purposes this committee would serve. One of the first and probably one of the most important functions of this committee, we were told, will be to help the government arrive at a policy in regard to old age pensions. That is what we were told, notwithstanding the fact that this government has been administering old age pensions for twenty-two years, and notwithstanding the fact that back in 1945 they made it quite clear to the country that they had a policy which was so clear-cut that some five or six pages of the so-called green book, or the proposals of the government, were devoted to an outline of the details. Then for four years, from 1945 to 1949, cabinet ministers, Liberal speakers and Liberal newspapers all through the country persisted in telling us that we had not obtained the social security measures outlined in those proposals because of two men, Messrs. Drew and Duplessis. We were told that but for the obstinacy of those two men at the dominion-provincial conference, the policies outlined in 1945 would have been fulfilled. At that time there was no question whatever of the government being at all uncertain with respect to its policy.

Now it appears that the government just has no policy. Otherwise, why call for a joint committee to help them decide on a policy? There is no policy at the present time, in spite of the assurances given the country by government speakers during the election campaign of 1949. I have here a number of quotations from Liberal speeches made during that campaign, of which I shall read one or two. Here is a statement by Senator Roebuck. At the time he was not a member of the government—and certainly not a member of this

house; yet one would suppose that Senator Roebuck knew at least something about the Liberal party and its policy. The Toronto *Daily Star* for June 16 has this to say:

> The means test by which people over seventy are denied old age pensions if they have other income was a hideous thing and he approved—

That is, Senator Roebuck approved.

> —a recent statement by Hon. Paul Martin that the government hopes to abolish it.

Some of the Toronto members including the hon. member for Rosedale (Mr. Henry) had something to say about old age pensions. Of course he was a new man in the Liberal party at that time, but we had every reason to believe that he knew what he was talking about when, according to the Toronto *Daily Star* of June 2, he said:

> The Liberal party was prepared to agree with labour on its demand for a $60 monthly old age pension without a means test.

Mr. Hodgson: How many years ago was that?

Mr. Noseworthy: That was on June 2, 1949.

Mr. Hodgson: Surely not just before the election?

Mr. Noseworthy: Yes, a little while before the election. Then we have this quotation from the same newspaper under date of Oshawa, June 9:

> The Liberal government plans to call a dominion-provincial conference to discuss establishment of a scheme for contributory old age pensions to start at sixty-five once the election is over and the political heat is done, Hon. Paul Martin said here last night.

That is a little variation, of course, from the policy set forth by some other Liberal speakers. There is not the slightest indication in that speech that the government would have to call a joint committee of the house, nearly a year after the election, to spend some time studying the question in order that they might be ready for the dominion-provincial conference. Not only were we promised old age pensions without a means test, not only did the government make it quite clear to the country during the period of four or five years that they knew where they were going and that they really had a policy, that they only needed to be re-elected in order to implement that policy, but we were assured that, along with the old age pension, there would be a national health insurance scheme. It is rather surprising to find the committee has not been asked to study that question. It was something which was generously promised to our people during the election campaign.

The member for Rosedale (Mr. Henry), speaking in Toronto and as reported in the Toronto *Daily Star* of June 2, said:

> The Liberal party will give Canada national health insurance. Our clearest policy has been on national health insurance. We are ready with it, and have a great legal mind at the helm to put it into effect.

The Prime Minister himself, speaking in Toronto, is reported in the Toronto *Daily Star* of June 15 to have asked his audience a number of rhetorical questions. He did not really expect the audience to answer them on the spot. He called upon his audience and said, Are you in favour of family allowances? Are you in favour of this and that? And then he finally said, "Are you in favour of national health insurance which we have instituted and have started to realize?" I do not know just what the Prime Minister and the Liberals understand by national health insurance. I am sure that the country does not understand national health insurance to be the paltry measure of assistance that is being given to hospitals and health services today. That was not the meaning which the Liberals gave to the term "national health insurance" during the 1945 or the 1949 campaign.

It now appears that, for some reason or other, the government needs some assistance in arriving at a policy with regard to old age pensions. The minister, in very solemn tones, informed us that the country needed a committee. His statement to that effect will be found on page 636 of *Hansard*. Then, of course, he went on to state that we needed a committee to study the whole question of health insurance. I have received communications from well over 2,000 people in my constituency on this subject, but not one of them indicated that what they needed, or what they thought the country needed, was a committee. They implied in no uncertain terms that what they wanted was the removal of the means test now, in this session, by this government, and without any further delay. I am quite confident that the minister knows, and the government knows, what this country is asking for today. It is the removal of the means test now, during this session of parliament, and not to have the question delayed by a reference to any committee.

Apparently the government has undergone a change of attitude since it set forth its policy clearly in 1945. Just to remind the government, I shall quote again a few lines that have been quoted a number of times in this debate. They are to be found on page 37 of the proposals of the government of Canada to the dominion-provincial conference, under the heading, "National old age pensions at age 70". It reads:

> As part of the general proposals now put before the conference, it is proposed that the federal gov-

ernment will establish a system of national old age pensions entirely financed and administered by the federal government paid at the uniform rate of $30 per month regardless of means, to men and women age 70 and over in all parts of Canada . . .

That policy was quite clear. This country has understood that to be the Liberal government policy from that day until the time this resolution was introduced to have the entire question referred to a committee. There is some indication, in that resolution and in the minister's speech, that the government has changed its policy regarding old age pensions. Probably the note that is emphasized most in the resolution before us is the note of a contributory insurance principle, old age pensions based on contributory insurance principles. A number of the minister's remarks implied that the government is playing with the idea of establishing a contributory old age pension based on insurance principles. This would mean that each individual would pay a fixed sum, and would draw, as he does under an insurance policy, according to his payments. That appears to be the type of old age pension with which the government is toying at the present time, and which the minister particularly stressed during his remarks.

Mr. Martin: Nothing I said would warrant that statement.

Mr. Noseworthy: What are some of the purposes to be served by this committee? One of the things is that the committee is to attempt to discover the rate at which old people are increasing. We have to have a joint committee to find out that the number of old people is increasing, and to find out at what rate they are increasing. The committee is to ascertain how that will affect our old age pension scheme. Surely a department that has been administering old age pensions for over 20 years has full knowledge of the rate at which our older people are increasing, and has full knowledge of the effect which that will have on our old age pension policy. I fail to see what a committee of this house can add to the information which must of necessity be already in the possession of the minister's own department. We are to have a committee to study what those schemes will cost. The minister or at least the officers of his department now know what they will cost. They knew in 1945. There are three or four tables set forth in the proposals of 1945 which point out what the old age pension would cost Canada for the next twenty or twenty-five years under the various schemes of old age pensions, with and without the means test. The minister's department has that information. The minister himself gave us a table which would indicate that he has that knowledge. I fail to see

where a committee can add one iota to that information which is already in the possession of the minister's department.

We are to study the various schemes of insurance in effect in other countries. The minister went on at great length to point out what those different schemes are. If you turn to the government proposals of 1945, Mr. Speaker, you will find there in 1945 almost the same information that the minister gave us in his talk on the introduction of the resolution. There is no question in the world that the department already has all the information obtainable with regard to the various schemes of old age pensions in effect in other countries.

This committee is to find out just what kind of insurance the labour congresses want. Just a few days before the minister made his statement—as a matter of fact, it was the day before he made his speech —the Trades and Labour Congress appeared before the cabinet, as they have on numerous other occasions, and pointed out quite clearly what they wanted by way of improvement in the old age pensions legislation. There is absolutely no reason for calling together a joint committee of this house and the other place in order to find out what the trade unions or the congresses of labour want. This is what they asked for in their brief to the government. They recommend:

1. That the means test be abolished.

2. That all old age and blind pensions become the sole responsibility of the federal government.

That, by the way, is exactly what the government promised back in 1945.

3. That the monthly pension payment be increased to $60—

That was what the hon. member for Rosedale (Mr. Henry) promised his people; he assured them that the Liberals accepted labour's demand for a $60 a month pension.

—as a preliminary and interim measure while the machinery is being developed for the implementation of a full social security scheme.

4. That the pensionable age be reduced for men to 65 and for women to 60.

We submit, Mr. Speaker, that there is just no point in asking a committee of this house to spend time trying to find out what labour wants. The minister and his officials know, as does every Liberal member of this house, that the trade unions and all other organizations interested in this question from coast to coast have been petitioning members of parliament and the government for one thing principally, namely the abolition of the means test here and now.

Then let us give a little bit of thought to what is going to come out of this committee.

Again the minister will have to pardon some of us for being a trifle sceptical. The minister took great care to point out that a committee was called in 1924 and that in 1927 we got the old age pension as a result of that committee. That suggests something to me. I, of course, may be somewhat critical; but that fact suggests to me that we are to get a committee now in 1950, as in the 1920's, and three years from now or in 1953 we shall be ready to abolish the means test or we shall be ready with a new scheme for old age pensions. By the time we get a committee and that committee takes the time necessary to go into all those fields of study that the minister outlined, and then by the time we get a dominion-provincial conference and get their agreement to a contributory old age scheme, get the legislation ready and get the legislation through the house, it looks as though it will be 1953, a most appropriate time for the introduction of an improvement in the old age pensions legislation.

Mr. Knowles: Just before the next election!

Mr. Noseworthy: As I stated once before in this house, the withholding of much needed social legislation until the eve of an election has over the years become the standard practice of this government. In 1945 it was family allowances. The legislation was passed and the cheques were all ready before the election was announced. All we had to do was to vote Liberal and the cheques would be mailed out. In 1949 it was not necessary to introduce any great scheme of social security. The government had plenty of money to mail out to the voters throughout the country without having to rely upon any improvement in social security. There were a few hundred million dollars in compulsory savings that were passed out in April, just before the election in June. That was a very appropriate time. It just happened, of course, that the time had rolled around for those cheques to be mailed. Then, of course, there were other hundreds of millions to be mailed out to the western farmers for their wheat crops of the three preceding years. That was a very appropriate time. It was all purely incidental, of course; it was all just a matter of course, a matter of no particular planning on the part of the government, to have those payments made just before the election. We would not accuse them of that. But the point is that here we have in Canada a crying need for an advance in social legislation to the point at least of removing the means test, and we have the government taking steps that will of necessity delay this social security until we come to the eve of another general election.

On the whole question of the means test I want to take just a few minutes. The means test today is regarded by the trade union movement, by labour, by the old age pensioners and by the Canadian public generally, to use the words of the Old Age Pensioners' Society of Manitoba, as one of the most iniquitous pieces of legislation that could be enacted by any government against its citizens. It creates a feeling of inequality, a feeling of dissatisfaction, and a feeling of suffering on the part of a great many people; it creates the kind of feeling that breeds communism.

If you want to breed communism in this country, continue to leave a large section of our people feeling that they are being discriminated against, and a large section of the public agreeing with them. If you do that you will be doing the very thing that will bring communism. In a country where freedom of enterprise is the watchword of our government, a government that prides itself on its support of free enterprise, one wonders when one sees the older citizens reduced to what amounts to a form of slavery. These older people must not earn more than a few extra dollars above their pension which, even with that pension, constitutes but a pittance, and is far from a reasonable standard of living. They cannot accept full or even part-time employment over any prolonged period of time. They have no freedom. They are regimented by a government that accuses other parties of regimentation. There is no country in the world today where older people are regimented more than they are under the means test which is in effect in this country. They dare not live in a respectable apartment, even if some friend wants to pay the rent for them, or a relative wants to do so. They dare not have more than a few dollars in the bank. They are not free men and women. As far as this country is concerned, this is not for our older citizens a free country, even though we are governed by a party and a government that prides itself on its free enterprise.

These older people cannot accept gifts from relatives or friends. They are discouraged from saving. If they save or accumulate a little they are penalized when they reach the age at which they go on old age pension. The means test reduces our older citizens to a state of pauperism, and leaves them the objects of pity, which, I submit, Mr. Speaker, is a condition that should not prevail in this country. There just is no excuse for the government dallying with this question until we come to the time when we are on the eve of another general election. It is unfair; it is cruel to these older people to pass this subject off to a committee that will require months

and months to complete the study that is outlined to them; to bring the matter before the dominion-provincial conference; to reach an agreement with the provinces, and to get legislation through this house. The whole thing cannot be done in less than two or possibly three sessions of parliament. In the meantime the country is clamouring for the removal of the means test here and now. That, Mr. Speaker, is what this country and the people want, and not, as the minister says, a committee.

A few days ago I picked up this special notice in one of the Toronto papers. It is called "sacrificial luncheon." It is a luncheon provided by Carlton Street United Church in Toronto. This is the notice:

All women of the church are invited to a sacrificial luncheon, Wednesday, April 5, in the assembly hall. The free-will offering of this luncheon will go directly to the benevolent fund of Carlton Street United Church, which provides hot dinners for 2,500 old age pensioners in that district.

I submit, Mr. Speaker, that this country is not reduced to that state of privation where it is necessary, or should be necessary, for any organization to have to provide hot lunches for 2,500 old age pensioners in one city, whose pensions and whose incomes are not sufficient to enable them to provide themselves with hot lunches. That I say is a disgrace to this country and to this government.

Here is a quotation from the *Veterans Advocate*:

It is our opinion that the means test puts a penalty on thrift and a premium on improvidence. The applicant who has made no provision for old age is eligible for pension, without question and without difficulty. His thrifty and hard-working neighbour has to pass a diabolical means test before his application is considered.

The wastrel is too often in a better state than the industrious and ambitious who scrimp and save for old age, but who never achieve complete financial independence.

To iron out inequality, we would prefer to see old age pensions, without means test, applied universally at age 65. The family allowance act is a bonus to every new citizen at birth. It is based in a measure on a potential contribution made to the country's welfare. We take the young on faith and hope. The other and greater virtue should not be withheld from the old nor if extended should it be niggardly, mean and circumscribed.

It will be a long time before old age pensions can be placed on a contributory basis. Till such time this country cannot afford to be ungenerous to those older citizens, who have little but memory to live on.

I have time for one more short quotation from the *News-Herald* of Vancouver.

The time is coming when old age pensions will have to be given to everyone, as family allowances are today. Rich and poor alike will receive them and those with incomes over a certain minimum will pay them back in income tax. This will take a lot of bookkeeping, but it will remove the stigma that for some strange reason some people still attach to old age pensions. Many an old person is bitterly ashamed taking the pension and does his best to keep it a dark secret. This shouldn't be necessary.

I submit that what we should be considering at this time is how we can abolish the means test, or failing that how we can raise the ceiling on the earnings and income which old age pensioners may receive. These are two reforms one of which at least could be effected now and should be effected now. One is the removal of the means test, the other, the raising of the ceiling, as was already stated this afternoon, to $1,500 for single people, and $2,500 for married people.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, representing a constituency in which there is a very high percentage of elderly people, who live in that area on account of our usually mild winter climate, I should like to say a few words on behalf of those who are resident in my constituency and then I wish to say a few more words regarding a much larger group of elderly citizens who reside in every part of Canada. In the first place I must express some regret that the government has not seen fit to keep the election promises we have heard quoted, and to bring in some definite old age security legislation at the present time. However, seeing that the government is not prepared to do this, and that it intends to set up a committee, I am pleased to note that the committee is to be given wide scope.

At page 635 of *Hansard*, the Minister of National Health and Welfare (Mr. Martin), when introducing the resolution, stated that the committee would study the operation and effects of existing legislation of the parliament of Canada, and of the several provincial legislatures, with respect to old age security, similar legislation in other countries and possible alternative measures of old age security for Canada with or without a means test. Then the minister went on to say that this committee—

—is to develop the best possible old age and retirement system that can be devised, with full consideration for the well-being of all Canadians. This proposed joint committee can do a real public service by its investigations in clearing the way for a better system of pensions, if that is thought desirable, after analysis, for our senior aged citizens.

Two years ago, at the annual convention of the Canadian Legion, the parliamentary assistant to the Minister of Veterans Affairs described the War Veterans Allowance Act as being a form of old age security, or old age pension, which was made applicable to men who had aged prematurely by service in an actual theatre of war during the first and second world wars. Because it was a recognized fact that men who had seen service in the trenches had aged prematurely, an old age pension—it was then called a burnt-out

pension, in the early years of the legislation—would be made applicable to veterans five years earlier than when pensions would be granted to the aged people of the country who had not seen service overseas.

May I ask the minister whether it is his intention to investigate, as one of the systems of old age pensions, the War Veterans Allowance Act, and to see how that will fit into his scheme for the new old age pension. Will those matters be referred to this committee? Hon. members on this side of the house have asked and pleaded for the setting up of a committee on veterans affairs. That request has been forwarded to all of us through innumerable branches of the Legion. The Minister of Veterans Affairs (Mr. Gregg) has seen fit to say that no such committee will be set up.

Many of the problems which affect the aged civilian citizens affect the aged veteran. So far as the application of the War Veterans Allowance Act is concerned, the same problems appear continually. Representations have been made by the Canadian Legion for the removal of the means test. Representations have been made by the same organization for an increase in the basic allowance, so that that basic allowance may be brought in line with the old age pension schemes of the several provinces.

Representatives of the organized bodies of veterans will not have an opportunity of appearing before a special committee on veterans affairs. In view of this fact, and the fact that this committee is now being set up with the idea of providing the best possible pension scheme for all Canadians, will there be an opportunity for veterans to appear before this committee in exactly the same way as the minister intimated this afternoon that industrialists will be able to appear, and in exactly the same way as he intimated that representatives of labour would be able to appear? I am asking whether veterans, or the representatives of veterans, will be able to appear before the committee and point out to the representative members of the House of Commons serving on that committee why it is so desirable that the means test be removed from the old age pension the veterans are receiving, and why it is desirable that the basic allowance should be increased. Will they be permitted to make their representations in exactly the same way as will organized labour and industrialists who are to be permitted to come before the committee and point out why certain matters should be dealt with and considered by this wide and all-embracing committee of this House of Commons, which the minister is setting up in the hope of being able to devise the best possible old age pension scheme for all Canadians?

I admit that at the present time the federal government is paying all the war veterans allowances, and that the provinces have not been asked to make contributions in that respect. But that is only one of the many matters which could be discussed. Therefore I should like very much to hear what the minister has to say with respect to the opportunity to be given the veterans of this land to place their problems of old age before this special old age committee. I believe it is most important that they have this opportunity, in view of the fact that they have been denied the privilege of appearing before a special veterans committee of the House of Commons.

Mr. Walter Little (Timiskaming): Mr. Speaker, I should like to say a few words in connection with the setting up of this committee to consider old age pensions. As hon. members will know, a resolution stands on the order paper in my name this session, as it did at the last one. For certain reasons I did not present the resolution to the house at the last session. At this session the Minister of National Health and Welfare (Mr. Martin) has placed this motion before the house to send the matter to a special committee for consideration. I am satisfied to wait until this is done and, if it brings in recommendations satisfactory to the old people I represent, I shall be for it. If it does not, then I shall have to have a chance to speak again with respect to it.

The resolution on the order paper at this session is in these words:

> That, in the opinion of this house, the government should take into consideration the advisability of introducing an amendment to the Old Age Pensions Act so that it would be on a contributory basis with no means test and paid to all persons reaching the age of sixty-five years.

I believe I should have said that it should be compulsory, because it is my view that we will never have a proper old age pension scheme as it is now. Mr. Ilsley said some years ago that that is the only way it would ever work, and I am of the same opinion. I would hope, however, that those in charge of this matter will not dilly-dally too long, until I am dead, and all the other old people are dead. I hope the committee will bring in a proper recommendation, so that the old people will be treated properly.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, in rising to speak in the debate at this stage I feel like someone who attempts to gnaw meat from a bone from which most of the meat has been consumed. I wish to

make a few observations on the resolution and certain aspects of the financing of old age pensions which will be considered by this committee. For a few minutes I want to discuss the right of Canadian citizens to old age security, and the abolition of the means test. First of all I believe the resolution should call for consideration by the committee of over-all security instead of being confined to one aspect thereof, the question of old age pensions. In my opinion there is no question that the country is waiting for the government to give consideration to a scheme of over-all security covering all Canadians. That is evidenced by resolutions passed by labour organizations across Canada, by both labour congresses and local labour organizations, by veterans' organizations, by farmers' organizations and by innumerable women's organizations. In addition to that, we find at the present time proposals for over-all social security in the platform of every political party in this house. Therefore there is no question that the country is waiting for the government to give consideration to the question of over-all security.

During recent weeks I think most hon. members of the house have realized more fully than ever that opposition to the means test is growing rapidly. I might say that even the Liberal government expressed the opinion in 1945 that the means test was undesirable. At page 37 of the proposals of the dominion government I find this under the heading, "deficiencies of the present scheme":

> The means test is generally recognized as undesirable after a certain age. It has been noted that about forty per cent of all persons of seventy years of age and over make application, satisfy the means test requirements and receive the pension. There is little doubt that a very considerable number in addition are not able entirely to support themselves, but are dependent upon their families, and refrain from applying for pensions because of the embarrassment occasioned by the means test.

I think it is generally recognized by the majority of Canadians—

An hon. Member: What about Saskatchewan?

Mr. Herridge: —that the means test as it is imposed at the present time is a penalty on thrift, is unfair and is most unfortunate for those people who have small savings, industrial pensions, annuities and so on. During the last two or three weeks I have received dozens of letters from persons with small incomes, life savings, annuities or industrial pensions who cannot take advantage of the old age pension scheme and yet have not enough to live on.

I want to refer for a minute or two to the percentage of our population making provision for old age. In doing so I should like to refer to the speech made by the hon. member for Winnipeg North Centre (Mr. Knowles) on March 3, 1949. I suggest that anyone who is interested in the statistical aspects of the question should read the speech made by the hon. member on that date. I understand the figures used therein were largely supplied by the research division of the minister's department. What do we find? At that date there were in Canada a total of 829,936 who were making provision for old age. We also find according to these figures that the population between the ages of 20 and 60 years totalled 6,676,700. That means that about 13 per cent of the people of Canada are making some provision for their old age. You may question these figures because of the increase in population and so on, but I am quite sure that the minister will agree it is safe to say that not more than 15 per cent of the people of Canada are able to make provision for their old age.

That is the problem facing the house and the committee, and it is a serious and important one. These are several approaches to the question of old age security. In the main we find there are two plans put forward by members of the house and by people outside the house. The first is some scheme of compulsory contributions based on the insurance principle. The second is the payment of old age pensions from taxation based on ability to pay. I think those who know me and my attitude to many questions in this house will realize that I am not given to advancing unsound financial proposals unsound schemes, or giving voice to Utopian ideas. I am pleased to note that the hon. member for Burnaby-Richmond (Mr. Goode) is listening with interest, and I trust on this occasion with considerable agreement.

Mr. Goode: Not with interest; you make a mistake.

Mr. Knowles: But with agreement.

Mr. Herridge: I favour payment from taxation mainly for two reasons. First, I believe it is unfair and unjust to collect contributions on an equal basis from the people of the country under the insurance principle to build up old age security. This afternoon, and in previous debates on this question, a good many members have said that they believe in the abolition of the means test. That does not mean a thing if you say at the same time that you believe in a compulsory contributory scheme based on the insurance principle. All you are saying is that you are going to give the people of Canada an opportunity to buy a life annuity or insure themselves against old age, and the government will be willing to accept the cost of administration. The bare fact of the matter is that would mean many

people would be worse off than they are at the present time. It would simply mean that the government would spend $4 million or $5 million for administration and save $100 million at this time.

Throughout the ages it has been the accepted duty of the working population to care for the aged. Under the conditions that prevailed years ago, and possibly even up to recent years, it was much easier to do that than it is today. For instance, on the farms years ago there was ample room. Old people assisted with odd jobs. Costs of living were lower; standards of living were lower; and in the towns there was more room than there is today. People were not living in flats, small suites and crowded quarters. Odd jobs were available for older people under conditions which are not present today. Life generally was much less complicated and wants simple.

I want to emphasize that by paying taxes today for old age pensions we are only doing jointly and collectively what has been done individually for ages, namely, caring for the aged out of current production. I consider that is our duty, and this duty has scriptural authority for those who view life from that point of view. In my opinion contributions to old age security based on the insurance principle are unethical. I think that type of thing represents a form of swindle, and I want to demonstrate that by quoting a few figures. We know that the value of money has been declining all through modern history. To illustrate I wish to deal with a short table I have here. I have the complete table for one hundred years, and any member who wishes to see it is welcome to do so.

This is a table showing the purchasing value of the dollar as measured by the consumers' price index. It has been prepared by the Institute of Life Insurance, and for the year 1939 the dollar was taken as worth 100 cents. In terms of the dollar being worth 100 cents in 1939 the purchasing value in other years would be as follows:

1820	214·6
1830	261·8
1840	235·8
1850	258·4
1860	230·4
1870	147·3
1880	180·0
1890	184·2
1900	179·9
1910	149·7
1920	70·8
1930	86·9
1940	99·4
1949	59·1

This means that a person who commenced to pay into a fund for old age security in 1910, having paid in for forty years, would have put into the fund dollars worth 149·7 and would be paid today in dollars worth 59·1. I believe that is a sound argument against asking people to accept a contributory basis for old age security under the present money system. I do believe that current contributions are satisfactory, adequate and fair for current requirements such as health insurance, unemployment insurance, sick benefits and other current risks; but I repeat that anyone who has studied the history of money must realize that it is a form of swindle to ask people to contribute for old age security through the years on the insurance principle.

In further support of my argument I want to quote briefly from a news item from Washington appearing in the *Christian Science Monitor* of March 22:

> Federal social security plan held unsound
>
> A Brookings Institution official has hung tags "thoroughly unsound" and "financially reckless" on the federal social security program. He urged a pay as you go system.
>
> The spokesman was Lewis Meriam, vice-president of the foundation that carries on research into governmental activities. He told the Senate finance committee the old age and survivors' insurance program is "socially questionable".
>
> From a public finance standpoint, Mr. Meriam testified, it is "thoroughly unsound."
>
> The committee is studying a bill passed last year by the house to widen the coverage of the present social security act.
>
> Calling the present program "financially reckless," he said:
>
> "The old age and survivors' insurance system, as we have it today, saddles future generations of American citizens with a tremendous commitment for benefit payments in addition to other costs of government.
>
> "The safe course is to adopt a true pay as you go system, giving such benefits as are reasonable and within our present economic ability, paying the costs each year, and trusting to future generations to do likewise."
>
> He said the government has no "contractual obligation" to continue the present system.
>
> "In our judgment it should make fundamental revision now before the present benefits are readjusted to offset the change in the cost of living," he added. "The present offers an opportunity to shift to a financially sound system that may not come again."
>
> He said the law should provide benefits immediately for all persons in need because of old age or permanent disability . . .
>
> The levy, he added, should be high enough to pay the expenses of the program year by year. And he said the money should be earmarked for this purpose.

Therefore I claim that for financial reasons alone it is unsound, unethical and unjust to establish old age security on the insurance principle through compulsory payments.

My second reason for supporting old age security from taxation is that under present conditions in Canada I believe any other method is impracticable, when we deal with

old age security alone. It might not be so difficult if we had an over-all security plan, but knowing the large number of submarginal farmers operating in Canada, the low income groups in the cities, the widows and others with small incomes, I believe it would be impracticable and utterly unsound to attempt to collect on the basis of a contributory system. There would be the expense of accounting, the expense of administration, and the cost of investigation. As far as the old age pension means test is concerned, I understand the cost of investigation accounts for a large portion of the cost of administration in the field.

Before concluding I want to say a few words about our ability to meet the cost. I am shortening my remarks considerably because I know the minister wishes to conclude this debate this evening, so I am not going to deal at length with this matter though I had prepared some figures I thought were quite sound and logical. As to our ability to meet the cost, our gross national income from production is around $16,000 million. According to the minister's figures I understand the possible cost of paying old age pensions in Canada on the present basis but without a means test, at the age of seventy, would be about $300 million, or something less than $200 million more than our present costs. If paid at the age of sixty-five without a means test the cost would be about $391 million, which means additional $300 million would have to come from the federal exchequer. In the first place, the money paid to old age pensioners is returned to society. It goes into the hands of merchants, and then into labour and other costs incurred in production. That sounds like a large amount of money; but with our tremendous production I say it is simply a question of organizing that production to serve human beings first. I noticed that when the minister was dealing with the possible increase in the cost of old age pensions in the years to come he mentioned some substantial figures; but in quoting those figures he failed entirely to take note of the possibility of greatly increased production in the years immediately ahead. I believe that is a factor which must be considered when discussing the cost of old age pensions in the future.

I believe these costs can be met by the Canadian people, and would be met cheerfully if they were raised by the imposition of a tax as an addition to the income tax, based on ability to pay. I quite agree with other speakers that we do not get something for nothing; everything has to be paid for. But this cost, like other costs of government, would come out of production and our production can meet these costs. I understand that during the war we made gifts to other countries totalling over $3,000 million, and rightly so. Surely, Mr. Speaker, in times of peace, with our opportunities for greatly expanded production, we can do as much for our own people. If we could do this for others in wartime, we can give our senior citizens old age security today, paid out of taxation based on ability to pay. If this administration thought it was necessary to increase the defence estimates by two or three hundred million dollars, they would be increased without any question. The money would be provided, and this house would vote it. We can do the same in the war against poverty and insecure old age.

In conclusion, Mr. Speaker, I say that this house, if it were concerned about providing old age security, could establish legislation, and could vote the money to see that our old age pensioners have security on a satisfactory basis without a means test. I hope the work of this committee will result in this government finally taking action to improve the position of the worthy section of our population which is entitled to old age security.

Mr. J. H. Harris (Danforth): My anxiety, sir, is to see this committee struck, and to see it get down to work. I should like to see this committee do something about this problem; that is all that is concerning me. I am anxious about those with whom I have lived during the last forty years, who worked side by side with me, and who find themselves still working without too much security. I can think of 200; I can think of another 300; I can think of another 50 of them out in western Canada. Through no fault of their own, Mr. Speaker, perhaps because they have not been privileged to land on their feet, they find themselves getting older. Their wives, their brothers and sisters are all getting older; and they find themselves bereft of the security which you and I, sir, in this chamber have promised them for the last two or three years.

Now, let us get on with this job. Let us have this committee, and let us try to do something for those of our own age, and our own kind. Being the old man of Canada's House of Commons, it is easy enough for me to say that. I say it most sincerely. Eliminate the means test? Yes, for all of us who do not need to have a means test. Surely the committee can find some method of testing you and me, sir, and perhaps leave us outside the scheme. That is all right as far as I am concerned. I am thinking of those thousands and thousands of people who have been able to acquire for themselves only a modest home without a mortgage, and to raise a family. I

am thinking of them. Do not tie the means test to them. The income tax department has reports on the rest of us, and you can do as you like with us. Do not apply the means test to these men and women who have perhaps less than ten thousand to their credit. Let them go free. They paid the shot in Canada during their lifetime. Give them an opportunity.

I was interested, Mr. Speaker, in what the member for Nanaimo (Mr. Pearkes) had to say. I agree with him one hundred per cent in what he said about those who went through northern Italy, Dieppe, and elsewhere. Such an experience added ten years to their lives, and I think they should receive special consideration. Let me go one step further than the member for Nanaimo. I am thinking, sir, of three different families whose boys did not come back. I saw the hair of the lady next door turn from a beautiful black to white within two weeks. A little farther up the street there is a family that lost two sons, and I saw that family age twenty years within two years. Ten doors down the street from where I live, I saw another lady's hair turn from black to grey, and from grey to white. I think the member for Nanaimo might add to the category which he enunciated so well a few minutes ago, those of our citizens who lost their boys overseas. Through no fault of their own, they find themselves aged from one to ten to twenty years almost overnight. I say to this committee that when it is established it should find some means of giving consideration to those people who find they are not as physically fit, not as strong as some of the rest of us. Let us have the committee set up. Let us get down to brass tacks.

I have another reason for requesting action on this matter. In my office tonight there are two different plans from organizations with which I am associated, and in my office at home there are three different plans, if not four, concerning some sort of pension scheme for employees for whom, as president of different companies, I happen to be responsible. Some of them are insurance company ideas. I have forgotten, for the moment, what the name of one is, but it is from some sort of economic adviser. We who are responsible for employees must of necessity give consideration to these plans. We must think about those who believe we are honest, and who look to us to provide them with their weekly pay envelopes; that is our responsibility. Yet, in the offing, there is this committee which this house has not got guts enough—

Some hon. Members: Oh, oh.

Mr. Harris (Danforth): I believe Churchill said that was a proper word. If it is not a proper word I am sorry, sir, and I withdraw it. I am sorry if I have offended the finer sensibilities of some of those whose sensibilities are not as fine as some of the rest of us.

Apart from that, I meant exactly what I said, Mr. Speaker. We do not want to escape our responsibilities, but we want to accelerate consideration of methods for helping our aged people who helped the general economy of Canada. We do not want to clutter it up, Mr. Speaker, with large premiums which are being paid to men who sit in mahogany chairs behind mahogany desks, and take a rake-off from the premiums which employees and employers pay these insurance companies. I am not mentioning insurance companies particularly, but if the state is going into this business, then it should get into it and get going. It should give those of us who have the honour and privilege of signing payrolls a chance, not to get out from under our responsibility but to co-operate with you in the responsibilities which belong in this chamber, so that, in the final analysis, we can work out some sort of economy as a result of which our Canadian people will take new interest in their work, and will go to work and help this country of ours to the destiny which belongs to it.

Mr. J. H. Blackmore (Lethbridge): I hope, Mr. Speaker, that the hon. member who just took his seat does not imagine for one moment that those of us who are taking time to look this proposition over a little bit before we leap have not the intestinal fortitude to appoint that committee. Our concern is not that we do not dare to appoint that committee but rather that we suspect every committee that Liberals appoint. I have been in this house for almost fifteen years and I have never yet seen a Liberal-appointed committee before whom it was worth while to go and present a case. I will wager that the chairman of the committee knows exactly what they are going to find before ever they start at all. Just try to get by the chairman with something that he does not want you to say, and see how far you get. I speak as one who has been on these committees. I am not a newcomer who has had no experience. In my judgment, this committee is nothing in the world but window-dressing. I do not believe that it intends to do anything except just to whitewash the whole situation and deceive the people.

I am going to tell you, Mr. Speaker, a little bit about why I think that. We had a remarkable budget the other night. Everybody cheered the Minister of Finance (Mr. Abbott). His picture appeared on the front pages of the newspapers all over the country; he was the hero of the day. That was quite as it should be. The Conservatives will not be able

to find a flaw in that budget, to save their lives; and the C. C. F. will find it next to impossible to criticize that budget. The only flaw they will find in it is that it did not swat the rich quite hard enough. That budget was based on paying our way at the present time and paying off a little bit of our debt. I would say, in a general sort of way, that if we are unable to pay off some of our debt today, I do not know what chance in the world we shall have four years from today; so that from the minister's standpoint the budget was a perfectly sound one, and I do not see how he could go much farther than he did. But if you put into that budget $300 million, you will have a widely different result from the one he obtained; and it will take upwards of $300 million to accomplish the objective which most hon. members seem to be all settled and agreed that we should have.

An hon. Member: You know how to get it.

Mr. Blackmore: Yes, I know more about getting money than my hon. friend will ever know, because my hon. friend is so obtuse that he is not open to a new idea of any kind whatsoever. If that were not the case he would be listening now instead of trying to get a speech in between mine.

Nearly everyone that I have heard speak here agrees that the means test must be abolished. I am in agreement that it should be abolished. Most of the hon. members, both on the Liberal and the Conservative side, are agreed that the pensionable age should come down to 65 or 60. I am in agreement that it should come down to 65 or 60. Most of them have the idea that there should be an increase in the pension. I also think there should be an increase in the pension. The problem is this: Where is the money to come from? If the members of the Conservative party, when they rise to speak, would give us the slightest idea as to where they would propose to get the additional money, I am sure that the Minister of Finance would come in here and listen with great eagerness all through their speeches. If our C. C. F. friends would tell us where they would get the money, I am sure he would listen to them. He might not agree with them, but he would listen to them.

Mr. Hodgson: You tell us and we will listen to you.

Mr. Blackmore: Good. I could ask for nothing better. Keeping in mind the budget we had the other night, Liberals and Conservatives, I ask you to tell me how you are going to figure out the additional money necessary to remove the means test, increase the old age pension and reduce the pensionable age to 65 or 60. When you begin to tell me that, I will be an eager listener. Merely to get up and say you want it done, with no suggestion as to how you are going to do it, remains just a weak futility. Let us face facts exactly as they are.

I am going to turn my attention for a few minutes to the remarks made this afternoon by the hon. member for Winnipeg South Centre (Mr. Maybank). Unfortunately, he is not in his seat at the present time. I want to talk to that man. I think that probably I should include with him the hon. member for Vancouver East (Mr. MacInnis), the hon. member for Moose Jaw (Mr. Thatcher) and the hon. member for Kootenay West (Mr. Herridge), because all those gentlemen are sure that the money must come out of the taxpayer. If that is the case, they are right in accord with the Minister of Finance. They have no criticism of his budget or of his means of building a budget. The hon. member for Winnipeg South Centre this afternoon said that he had given considerable attention to the proposals of Social Credit and that he was quite convinced that there was in Social Credit not nearly as much sense as there was moonshine. It might be suggested that, generally speaking, a man finds what he goes out to hunt; hence I presume the hon. member has been spending a good deal of time in hunting moonshine. I am going to propound a suggestion for the hon. member for Winnipeg South Centre. Social Crediters are not going to take this nonsense lying down. In the Social Credit group are men who are just about as well informed on economics and finance as any that are to be found in Canada, and they are not going to take the silly remarks of a lot of half-baked people without having something to say about it.

In the first place something must be done to discover how to make what is physically possible financially possible, as the hon. member for Acadia (Mr. Quelch) pointed out this afternoon. The hon. member for Winnipeg South Centre had nothing to say about that. I suppose he agrees, and I am sure the hon. member for Kootenay West would agree—that is what I gathered from what he had to say—that all we need to do is to increase production and we can take the money out of the production. I will ask him how much he would have to increase the fruit production of British Columbia in order to get any more money out of it, when he cannot sell what he now can produce. That is the question. Just as soon as we get to the point at which we are producing all we can sell, to increase production brings down the price under the present financial system and decreases the money you can get out of the goods. Let us face that fact

and put aside the nonsense. Let us remember that this parliament was elected to govern this country, not to talk nonsense. If the country is demanding that the old age pensionable age shall be reduced to 65, that the means tests shall be abolished and that the pension shall be increased, it is our business to find out how to do that. If we cannot do it under the system we are using today, we had then better begin to examine some other system.

Let us consider any one of the commodities you wish to name. We in Canada of course have not a great many surpluses. But down in the United States—and all hon. members are familiar with what is going on down there—there is in the neighbourhood of $4 billion worth of surplus agricultural products ranging over something like twenty different commodities. Can anybody tell anyone in the United States how they can increase the amount of money they can get by increasing the production of any one of these commodities or of twenty of them? As a matter of fact, every increase they make in such things as soya beans, cotton, wheat, oats, barley, rye, peanuts, and a whole lot of other things, weakens the state, because there is danger of a collapse in prices, and tends to decrease the amount of money they can collect from the people producing them. That is the kind of thing the hon. member for Moose Jaw (Mr. Thatcher), the hon. member for Kootenay West (Mr. Herridge) and the hon. member for Vancouver East (Mr. MacInnis) must face.

What do you find when you face it? We find in the United States this remarkable thing. We find $4 billion worth of surplus goods already in the possession of the government, bought as surplus to keep the price structure from going down; and it is being held at a colossal cost to the nation. They have already appropriated, or they are thinking of appropriating, $2 billion more to buy the surpluses of next year. Will anybody, including the hon. member for Vancouver East, tell us how they are going to get money out of that production? They put money into that production, not get it out. In other words, an increase in production does not increase the amount of money available to the state beyond a certain amount unless they can sell the produce. These are cold facts.

Now, according to the information I have, at the very time when the United States has a surplus production of so many different kinds, they are talking of decreasing their military appropriation by $2 billion because they cannot afford the $2 billion. If you can think of anything more fantastically absurd than an attitude like that you will be doing wonderfully well. You will have to think about it in a nightmare, because no intelligent person can concede that a nation that can produce more of every kind of thing than they can possibly use, with a surplus of everything, cannot afford to have defence.

An hon. Member: Talk about Canada.

Mr. Blackmore: That is all right. The United States has the same financial system as we have. I am making this speech. If the hon. member is not content with the illustration of the United States, one of these days I shall come down with Canada as an illustration, because the situation is identical. We can take our beans in Canada as an illustration. I am using the United States as an illustration. The simple point is that where there is an abundance of goods, where there is a surplus of goods, surely the nation that is producing that surplus is able to afford greater expenditures. The big question is how to do it.

An hon. Member: Social Credit.

Mr. Blackmore: Social Credit is right one hundred per cent, and the only thing that is right. I am going to read a statement so that the hon. member for Winnipeg South Centre (Mr. Maybank) can read it tomorrow, if he will take the trouble to do so, which I doubt. I am going to read a little statement regarding Guernsey island from a book entitled "The Story of Money" by Sir Norman Angell. This book was published in 1929, before the last depression. It gives the essential facts of the famous Guernsey island experiment. I am going to ask the hon. member for Winnipeg South Centre, the hon. member for Vancouver East and those other men who are sure that money has got to come out of the taxpayer's pocket, where in the name of common sense they think the Guernsey islanders got the £3,000 with which they built their market? When they can answer that question they will be on their way to explaining things and not saying the silly things they are saying about money. I read from page 266:

> The story of the Guernsey market house has figured in many a currency debate.

I am skipping the rest of that sentence and starting here:

> The records show that the meat market, of the island of Guernsey, still standing, was built without any loan at all merely by the issue of pound notes, created for the purpose and which were gradually paid off as the rents came in. The Guernsey states in effect said: "We propose to build a market house. We will issue one pound notes with which we will buy material and pay the workers. Those who use the house must pay rent or charges in these notes. As they come in they will be destroyed. Ultimately they will all be destroyed and the island will have the house."

Old Age Security

I am skipping a number of sentences that do not particularly apply and go on toward the bottom of the page:

> The story is taken from Mr. Theodore Harris' account which was compiled from the original documents.
>
> The island of Guernsey has its own parliament, "The States." On the 12th of April, 1815, it appointed a committee to consider a scheme for enlarging the market. The committee recommended the issue of state notes, first to the amount of £3,000. "Thus," as the report to the committee reads, "at the end of ten years, all the notes would be cancelled and the states would be in possession of an income of £150 per annum, which would be a return to the £3,000 spent by them. Looked at from all sides, the scheme shows nothing but the greatest advantage for the public and for the states."

There is no doubt in the world that the Guernsey islanders obtained money without taking it out of the pockets of the taxpayers. There is no doubt about that, and from this time forward I think we have to admit that when anybody stands up and says the only money you can get comes out of the pockets of the taxpayers we shall have to accuse him of instigating communism, because that is just exactly what he will be doing. If we insist on increasing the amount of social services and increasing the taxes we shall get to the point where we shall have a communist state in fact if not in name, and there is just no other way out of it.

The hon. member for Winnipeg South Centre will probably get ready a speech and deliver it to put himself right in the eyes of the intelligent people in the house.

What determines how far the Guernsey islanders could have gone in issuing these notes? The amount of goods and services which they had in the island, and the resources which they had from which to create more goods and services, is the thing that determines how many notes could be absorbed in use. As soon as there are more notes than there are goods and services there is a tendency to inflation. So long as there are fewer notes than there are goods and services there will never be inflation, and money will be completely sound. That principle is simple. If anyone thinks he can argue that principle away let him do so.

An hon. Member: Is it simple?

Mr. Blackmore: Yes, it is simple. It is just as simple as it is to breathe, but there are a lot of simpletons who have not got sense enough even to breathe right.

In my judgment, Mr. Speaker, there are three things which need to be done this year without further delay. In this respect I agree with the other hon. members who have spoken. There simply must be an increase in the pension. The age must be lowered to at least 65 and the means test must be progressively eliminated. As was pointed out by the hon. member for Acadia and several other hon. members today, to give substantial old age pensions all over the country would have a powerful influence on the production in Canada, because it would provide a market and certainly would have a tremendous influence on our consumption and a very material influence on employment in the country, because the pensioners would be able to buy the goods which we are able to produce. It would provide for us a market.

[Mr. Blackmore.]

There is a greater urgency for this increase of old age pensions and the spreading out of the pension over a wider area of population than some people realize. The age of the machines, which is rapidly developing against our generation, is putting more and more people out of work. For a good deal of time there has been opposition to that idea. Men have been trying to establish that machines do not put people out of work; that they actually increase the work which is available. Even the most hard-headed and reactionary thinkers in the United States are beginning to discover that the machines actually are putting men out of work. I hold in my hand a clipping from a newspaper or a periodical called *Labour*, which I think all hon. members receive. This issue is dated March 18, 1950. Here is an article on finance based upon findings of two of the best authorities in the United States. First of all we find the heading, "Higher efficiency blamed for addition of 750,000 to ranks of jobless". That is in the United States. The article states:

> This startling testimony came from J. A. Livingston, financial columnist, who is syndicated in many conservative papers, and from the magazine *Business Week*. Neither can be remotely regarded as "radical".
>
> "Production efficiency cuts jobs" was the headline on a column by Livingston. Then he went on to say: "Efficiency is beginning to creep upon us . . . you can see it in the unemployment statistics." He cited the figures—4,700,000 jobless in February, highest in nine years.
>
> In part, Livingston said, this is because "Post-war technological improvements are coming home to roost." Industries of all kinds, including the railroads, have installed labour-saving devices, and now "these improvements begin to pay off"—in layoff of workers.
>
> "Fewer men or less time are now required to do the same job," he declared.
>
> In the past year, unemployment rose by 1,500,000 and Livingston estimated that "half of that is attributable to higher output per worker." In short, labour's higher productivity has caused a loss of 750,000 jobs in one year.
>
> Very bluntly Livingston put this question: "Will increased efficiency raise hell with full employment?"

Well, that is pretty serious, in the light of the situation which confronts us. The condition is very much like that in Canada. Further down I cull this from the article:

"Magazine Echoes Warning"

Business Week, a leading organ of industry, made the same point—in perhaps even stronger terms. It did so in a lead article entitled "Unemployment, prosperity: Strange Pair."

"Labour productivity is rising—rising fast," the magazine said. " A *Business Week* survey confirmed that fact beyond question. It's taking fewer workers each year to produce our high volume of goods—so unemployment is creeping up."

Hence, "there's an unemployment problem again —even though the business boom is going full blast."

Output of goods and services in 1949 was about $259 billion, about the same as for 1948, after adjustment for price differences, the magazine explained.

"But in 1949 it took 3 per cent fewer workers to produce that output," it said.

In agriculture also, "the trend toward higher and higher production per worker is striking." Since 1947, employment on the farms has been dropping while production "has been as high as ever," the magazine reported.

The truth which is borne out in this article I have read is a very solemn truth. It indicates we have simply got to find some way or other of making the goods we are able to produce pay off in terms of finance, so that we can help those who are being displaced by machinery. This is having a very important effect on the old people, and it makes it more and more necessary that we be able to give munificently to those who are displaced after reaching the age of sixty-five years, and those who have reached the age of seventy.

An interesting article along the same lines appears in the Ottawa *Evening Citizen*, home edition, page 6, for March 16. In that article a United States scientist visualizes machines running the world in twenty years or less. Professor Norbert Wiener, the famous American mathematician, spoke in this fashion before an audience in the national research council auditorium at Ottawa on March 15. His speech is reported in the article of which I have given the head note. He says the time will come when we will displace men on a far greater scale than they are now being displaced. He says that the machine could take over a whole chemical plant, and that the du Ponts are doing it now, with an oil-cracking plant. He states further that the automatic factory can be used in manufacturing automobiles.

The meaning of all this is the same as the meaning of the evidence set out by Mr. Livingston and *Business Week*. It means that we shall be able to have plenty of production, but with fewer and fewer men, which means that man will be disposed of at an earlier age, so that probably by the time he reaches the age of fifty or fifty-five it will be no longer possible for him to obtain a job. And if we are unable to give a man a job, unquestionably we have to find some means of giving him a living without a job. That is just as simple and as clear as a star in a starlit, clear sky.

What are we going to do about it? Are we going to wait until the problem develops to such an extent that we can do nothing about it, or are we going to go into the matter now, closely, while yet there is time?

The percentage of our population made up of people sixty-five years of age and over is rapidly increasing, as was indicated this afternoon by one hon. member. In an article appearing in the Ottawa *Journal* of recent date we find the heading "Sixty-five too young to retire", a statement attributed to Glen R. Shepherd, M.D.

In this article are some figures which I am sure hon. members would find interesting if, in their busy lives, they may have overlooked them. These figures show that in 1940 there were 9,200,000 people in the United States more than sixty-five years old, and it is said that in 1980 there will be at least 18,501,000 who will reach that age. But the working ages of twenty to fifty-nine will not increase one bit. How are the increasing numbers of people over sixty-five years of age to live off the static or decreasing number of producers?

This is another problem which faces us. We are right up against it; we cannot sidestep it. What are we going to do about it? It is all involved in this matter of making financially possible that which is physically possible, and finding money from some source other than taxation. There is no question that we can produce the goods—all the goods we need. There has never been any doubt about our ability to do that. But to get money out of those goods is going to be our problem and that is the thing we are discussing tonight. There should not be a bit of difficulty in having those people in the United States who are able to produce support the 18 million people in 1980 over the age of sixty-five years, to whom I have referred, if the goods they could produce could be turned into money to support those people. They will be able to produce the goods.

We must find the means whereby we can translate goods into terms of money, and there is no conceivable way except through the use of debt-free money, as Social Crediters have advised and advocated, and as the Guernsey islanders demonstrated in their famous experiment of 1815.

There is no question whatever that we can pay adequate pensions in Canada. I do not

doubt for one moment that our Canadian economy can produce more goods by far than our old age pensioners could possibly use, including all the people over sixty-five and all the people over fifty-five, if we have to put them all out of work, if we had just time enough to expand our economy, as we can do, and if we once get to the point where we can be realistic and turn into money the goods we are able to produce.

I have a letter here from which I should like to quote some excerpts. I think nearly every member received it. This letter is dated March 20, 1950, and comes from the office of the ex-chairman of the Welland county board of old age pensions and mothers' allowances, at Fort Erie, Ontario. This letter indicates that the writer of it has no doubt whatever that we can organize affairs in this country so that we can pay all old age pensioners, without a means test, a good pension. In the second paragraph he says:

> The total expense involved in this welfare service must amount to more than one-half of the cost of the actual pensions themselves—with all the machinery necessary in paying of same—and the initial and periodic investigations which many times cause real heartache to some of these elderly people who are afraid to earn an extra dollar in case they have it deducted from their cheque.
>
> Taking everything into consideration—the number now employed in keeping records, the expense of office equipment, furniture and supplies essential under the present system, I feel that it would be far cheaper to the country and more satisfactory to the pensioner if the following plan were in effect.
>
> When any person becomes seventy years old, he should send proof of age to the board at Ottawa with his application for pension. (Ottawa has the census records for checking.) The board could then issue in his favour a book of twelve cheques, dated one for each month—with an application blank for renewal inserted before the November cheque to be mailed to Ottawa then. This book should be taken immediately to any chartered bank and left there so that on the first day of each month, the pensioner could go to the bank, endorse his cheque for that month and receive his money.
>
> Under this system, all provincial and local boards, investigators, etc., would be eliminated. The old age pension should be paid to all persons, regardless of their financial condition, when they become seventy years of age (it should be sixty-five). I firmly believe that this proposed system would actually save the country money, and at the same time wipe out a great deal of the present dissatisfaction on the part of pensioners and provide comfort for many who really need it but are doing without under the present system.

There is a man who gives us hope even under the present system, under our way of doing business now. I think I am perfectly within the bounds of moderation when I contend that the old age pension must be increased, the pensionable age must be brought down to sixty-five, and the means test must be progressively removed. There is no need to have a committee to do that. If a committee is appointed to find ways and means of doing the thing we all know we ought to do, that is a different matter. Then the resolution should be so worded as to say that; but it is not so worded. In fact, I suspect that when the committee is in session if anyone were to attend and try to explain to the committee how Social Credit would be able to solve the problem he would not be given a respectful hearing at all. It would be a wonder if he were not ruled out of order by the chairman. Nevertheless, whether or not members of the house are prepared to back proposals to use debt-free money to finance what is physically possible, the simple fact remains that beyond any question it is the duty and responsibility of this house to see that these three objectives are achieved, namely: increase in the old age pension to make it adequate for the needs of the times; the reduction of the age to sixty-five; and the progressive elemination of the means test.

Mr. William Bryce (Selkirk): Mr. Speaker, I offer no apology at this time for rising to speak for a few minutes. I have notes here for a forty minute speech but at the request of the minister I am going to cut it down to about five minutes. If it had been any other minister than the Minister of National Health and Welfare (Mr. Martin) I think I would have had more heart to refuse, because I think a man should have the right to speak as often as he likes and as long as he likes. That is why we are sent here. The Minister of National Health and Welfare has been a very good friend of mine. When I could not find a bed on which to sleep in Ottawa he was good enough to provide his for Mrs. Bryce and myself, and I appreciate that.

Mr. Martin: I will give a bed to every member of the house if they will follow suit.

Mr. Knowles: You are quite a bedfellow.

Mr. Bryce: I had thought that by this time the government would have been ready to introduce some arrangement whereby the means test provision could be removed. Most people with whom I have been in contact in my constituency were quite sure that it was going to be abolished after the election. I have visited other parts of Canada as well and I find the same feeling there. Everybody believes it is time that the means test should be done away with. I have the Winnipeg *Tribune* for March 25 and I see that the finance committee of the Winnipeg city council is in favour of the abolition of the means test. The heading of the article is:

> Abolish pension test, finance board urges.

The article reads in part:

> Abolition of the old age pensions means test has been advocated by city finance committee. By a 3-2 vote Friday it recommended to council support for a Winnipeg labour council brief proposing end of the means test, lowering qualifying age limit for pensions from seventy to sixty-five.

I shall not take the time to read the whole article, but in every paper you pick up today you find the same thing. Many people besides myself must have been misled by the propaganda of the Liberal government at the time of the last election. Many of our aged citizens, who have done a wonderful job of trying to provide for the eventide of their lives, find that the means test interferes so much in their getting what they really deserve. As I have said before, the man or woman who has been thrifty and tried to provide for a rainy day is penalized in obtaining the old age pension at the present time. No law should be allowed to exist that penalizes a man or woman for thrift, long considered one of the great characteristics of the Scottish race.

Having given my word to the minister, I do not want to take up too much of the time of the house. I have spoken on different occasions about old age pensions and have brought to the minister's attention the deplorable conditions existing among some of our elderly people who have no homes of their own. Let us look for a moment at the circumstances of the married male pensioner who has reached the age of seventy but whose wife is a little younger. He receives a pension for himself but nothing for his wife. Here you have two people trying to live on $40 per month. I am sure the minister or anyone else cannot expect a woman of sixty years of age to go out and work to provide extra income to maintain the home. It has always been my contention that women should receive the pension five years earlier than men. Other countries do it, and Canada should never need to take second place to any country in looking after her aged citizens, the men and women who have built Canada and made her what she is today, a great nation becoming greater.

This week I received a letter from a gentleman in Manitoba whose father is one of the men who are handicapped by the means test provision in securing the old age pension. He is over ninety and is one of the men who teamed wheat to Winnipeg with oxen. These are the people we are penalizing, the men who broke the trail, the men who built Winnipeg, the men who made Manitoba and Canada what they are today. When speaking on the question of old age pensions I always feel that we should forget our political affiliations, because there is no member of the house, no matter on which side he sits, who does not have sympathy for our aged citizens. As the law stands today, men and women who have been thrifty, who have paid taxes, and who have now reached the age of seventy years, find that they cannot get any money to augment what they have saved themselves in order that they may live in comfort. But the men and women who have never done well for themselves, perhaps through no fault of their own, who perhaps in many cases have never even paid taxes, are able to draw the full pension, small as it is. I would ask the minister to do away with the means test, to see that women receive the pension five years earlier than men, and that he blend old age pensions into an over-all social security scheme which will be contributory and will take care of people with arthritis and other incurable diseases who are unable to provide for themselves.

The hon. member for Winnipeg South Centre (Mr. Maybank) had something to say today about double talk which I did not quite follow. Perhaps I was not listening closely enough. I do not think he made his remarks quite plain when speaking about New Zealand this afternoon. He told us what the people of New Zealand have to pay for social security and what they get for old age pensions. He made it appear that was all they received for their social security contribution. The fact is that they get over-all social security for the one contribution, including health insurance, sickness benefits, invalid benefits, maternity benefits, family allowances and old age pensions, as well as certain other benefits. In addition there are emergency benefits for any special situations that might arise. This makes quite a difference. Instead of the contribution paying only for old age pensions, it pays for all these other benefits I have mentioned as well. When I speak of an over-all social security scheme, that is the sort of thing I mean.

In closing, Mr. Speaker, I want to take exception to the statement by my good friend from Winnipeg South Centre (Mr. Maybank) that we in this group are running down Canada. Personally I resent that very much. I came to this country as an immigrant more than thirty years ago, and I can assure every hon. member who is listening to me that my ambition has always been to be the best possible Canadian. Though my Doric has been a handicap in mastering the language of this country, in my travels to different parts of the world by land, sea and air, which I am sure compare favourably with those of the average member of this house, I have tried to be a good ambassador for Canada, in the land from which I came as well as in the other countries I have visited.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, I am sorry to hold up the minister, but he will have plenty of time to close this debate before eleven o'clock. I have listened with a good deal of attention to the various speeches that have been made, and

I want to say a few words at this time because in my opinion some clarification is required with respect to this matter of social insurance and social security, contributory and non-contributory.

I am not going to argue over the justification for the setting up of a committee. The government has a sufficient majority to set it up, and we can do nothing to stop it. But if it is being set up on the assumption that there is not in this country already sufficient evidence on which to decide this question of old age pensions, retiring allowances, and all that sort of thing, I do not agree; that is not the case. As recently as 1942 the government employed a man named Marsh to gather the data this committee is now going to gather. He laid down for the government at that time the Marsh plan of social security. Every angle was gone into thoroughly, and he made certain recommendations with regard to an over-all social security plan.

If that was not good enough, we had the Beveridge plan, which is now partially in operation in Britain. Sir William Beveridge was brought to this country in 1942 and appeared before the reconstruction committee of this house, where we had a long and learned discussion with him on the same subject.

The point I want to make is that both the Beveridge plan and the Marsh plan were founded on evidence to support the establishment of a social insurance scheme. I do not agree with social insurance, for the reason that it covers only those who are able to pay and leaves the great majority, who are not in a position to contribute directly from their pay envelopes for that protection, not covered at all. I do not agree with that type of social insurance because it leaves out the very people who should be covered.

On the other hand, as we state, we believe in an over-all social security plan covering the more unfortunate people of the country, and this means taxing the wealth of the country. It will have to be contributed to. Often we hear the expression, "We must make it non-contributory," but I am afraid those words are loosely used. There is no such animal in this world. Nothing is non-contributory; the cost of everything has to be contributed to; and the only fair and just way of contributing is the way the people are taxed today. You strike certain exemptions, and tax the people above those levels; and in this matter of social security you would tax those who can afford to pay and cover all the citizens of the country, including those who cannot pay. That is contributory through taxation, and it is the only way you can cover all the people. So I wanted to draw this distinction. Social insurance only partially covers your people and leaves uncovered the great majority who are not in a position to contribute. On the other hand, social security will cover all your people, but you tax those above a certain income level, and all those below that level are also covered.

As to old age pensions, I think that is a misnomer which should be changed. The words "old age pension" presuppose charity, poverty, a gift from the state to enable you to just drag through the rest of your life. I think in future we should call it a retiring allowance. But if we are going to take one, two or three years to study the matter and then do something about it, I believe we should first take some steps to relieve the present plight of our aged people. One thing the government could do which would not cost them anything would be to step up the permissible earnings. I believe that could and should have been done. If the government does not want to remove the means test at this time—and it appears adamant on that point—then I think the minister should have recommended that action. There are thousands of aged people on the old age pension today who are not permitted to even try to earn a little something on the side to supplement it. If the government would remove the ceiling on permissible earnings many old people who are immobilized today would get out and try to do something to earn a little in addition. That would not mean anything to the budget of the Minister of Finance (Mr. Abbott).

Another very bad feature of that pension has to do with the person who has accumulated a little property. It is a lifetime struggle for the average person in the low income brackets to establish a two, three, four or five thousand dollar house for himself. Finally he arrives at the point where he receives the old age pension. The most disgraceful part of the whole matter is the position in which it places his heirs, in the event he draws that pension for three or four years before he dies. Before that little property can pass to his next of kin, the old age pension board in the province take the position that they have established an equity in that home. I have a file on my desk which covers such a case. I am not going to read it into the record, but in this particular case the man drew $2,000 by way of old age pension. The property was worth $3,000, and the old age pension board went to the courts to claim some of that money. They received $1,900, and that was paid to the old age pension board before that property could be passed on to the next of kin. I believe that is not generally known. I have heard it said on the platform by government supporters that

that sort of action was never taken. I do not know what is done in the rest of the provinces, but that certainly has been done in the province of Nova Scotia. I believe in the province of Saskatchewan there is a saw-off around the $4,000 mark, and there is no interference with the property.

There are two things which I believe the minister could have done while we have been discussing this matter. I believe the equity established by the old age pensions board in properties such as those I have described should be wiped out. I believe the procedure followed in Saskatchewan should be made uniform across the country. Then the permissible earnings could have been stepped up. When the minister introduced this resolution, I heard him argue that all the provinces are in a position to do something for themselves by way of supplementing the old age pension. He said he did not want to make any invidious comparisons, and I do not think he did. He is a rather innocent person, good-hearted and quite charitable. In this particular case, however, he slipped a little. He went on to point out that the province of British Columbia had stepped up the pension to $50 per month. The minister said that Alberta had stepped up their pension with a supplementary payment, but that Saskatchewan had not stepped theirs up quite as high. The thing the minister failed to make clear was that conditions vary from province to province. The province of British Columbia, for example, last year had a provincial income of $105 million. A lot of that $105 million was gathered from extra sales taxes and luxury taxes. This enabled that provincial government to supplement the pension.

The province of Alberta is not as well off, but it had an income of approximately $79 million. The income for the Saskatchewan government last year was about $74 million. When you look at the provincial income of the maritime provinces, you realize those provinces have not the kind of income that would enable them to step up their pension. If there is any field in which unity is required, it is in this particular field of old age pensions. If the minister proved anything by his speech in the house, it was that, insofar as this matter of old age pensions is concerned, it is a national problem. He proved conclusively that there are differentials between provincial incomes from coast to coast. Unity will not be obtained until such time as old age pensions are made a federal problem.

In addition to considering the matter of the old age pension, we should be considering the whole question of a retiring allowance for those who produce the wealth. When the committee is set up, I hope it will take it upon itself to examine representatives of the unions across this country, as well as representatives of management. I have stated in this house before that I think the great difficulty between management and labour in the future will be this problem of providing a retiring allowance for workers. In wage negotiations across the country today, the employer and employee are locked. The minister knows that is the situation in his own city, in which the auto workers are having difficulty. There are stoppages of work, and it is all due to this matter of establishing a retiring allowance.

The only way the problem can be solved completely is to establish, as I have suggested before, national social security contracts covering all the workers in this country. It is the only way the white collar worker, the farmer and the industrial worker can be covered. If the pensions now paid under the different schemes by employers across the country, and contributed to by the employees, were all centralized under the federal government and put on a proper actuarial basis, then we would build up uniformity across this country. There would not be the overlapping of administration that there is today. We would not only settle this business of old age pensions, but settle the whole business of a general retiring allowance for the workers of this country who are on a very meagre allowance at this time.

I believe it was the member for Spadina (Mr. Croll) who made a comparison with what happened in the United States. I have heard it stated that certain industries in the United States were paying pensions of $100 per month. That is not true, because under the social security arrangement in the United States $36 per month is paid out of the federal treasury. The industry that has established a pension of $100 per month is only contributing $64 and the other $36 is paid by the federal treasury. I do not think that is a good arrangement. There is a lot of duplication in bookkeeping and administration. I believe the whole question should be investigated, and instead of establishing old age pensions—I think that name should be abolished—we should strike a general retiring allowance covering everyone in this country. A tax could be taken off at a certain level, just as it is now, but everyone in this country should be covered. I just wanted to make it quite clear that I am opposed to social insurance, because that presupposes that only those who are able to pay receive it. I am in favour of social security. I believe in the abolition of the means test now. I think it should be done. If the

minister is not prepared to go that far, then I think he should at least try to do something about that property angle. There should be an adjustment there. While we are discussing the matter, may I say that I think the permissible earnings should be stepped up in order to give encouragement to many aged people who could go out and earn something if it were not for interfering with the present pension.

I am sorry, Mr. Speaker, that I had to hold up my hon. friend, but he has already had about twenty-five minutes on the subject. He still has some little time to go.

Mr. Deputy Speaker: Is it the pleasure of the house to adopt the motion?

Mr. Gillis: I want to make a correction, Mr. Speaker. The hon. member for Eglinton (Mr. Fleming), who is my legal adviser, tells me that it was not the hon. member for Spadina (Mr. Croll) who mentioned this $100 a month but that it was the hon. member for Rosedale (Mr. Henry). I want to make that correction.

Motion (Mr. Martin) agreed to.

JOINT COMMITTEE—APPOINTMENT OF MEMBERS TO ACT OF BEHALF OF COMMONS

Hon. Paul Martin (Minister of National Health and Welfare): With the unanimous consent of the house, I should like to move that we set up the committee now. I would move accordingly, seconded by the Minister of Public Works (Mr. Fournier):

That Messrs. Ashbourne, Benidickson, Beyerstein, Blair, Brooks, Brown (Essex West), Corry, Cote (Verdun-La Salle), Courtemanche, Croll, Diefenbaker, Ferrie, Fleming, Gingues, Homuth, Knowles, Laing, Lesage, MacInnis, Macnaughton, Picard, Pinard, Richard (Gloucester), Robertson, Shaw, Smith (Queens-Shelburne), Weaver, and Welbourn be appointed to act on behalf of the House of Commons as members of the joint committee of both houses of parliament on old age security and that a message be sent to the Senate to inform Their Honours that the above members have been appointed to act on behalf of the Commons on the said joint committee of both houses.

Mr. Fleming: May I ask the minister a question? I understand that arrangements have been made with the other place for the appointment of twelve members of the other place to complete the personnel of the committee. Am I correct in that? My second point is this. Will it be possible to have the additional members from the other place appointed and the committee convened so that some steps may be taken prior to the Easter recess to plan the work to the end that while the house is in recess work may be put under way and that rapid progress may be made when the house reconvenes?

[Mr. Gillis.]

Mr. Martin: I thank the hon. member for mentioning that. My own desire to see the committee established at the earliest possible moment must have been obvious tonight. It was for that reason that I did not take advantage of the opportunity, at the end of the debate, to reply to what had been said during the course of it. It is the desire of the government that the committee be set up at once. I understand that arrangements are being made in the other place to deal with their motion tomorrow. I hope it may be possible for the committee to meet on Monday and to prepare for the major part of its work which, of course, will be after the Easter recess. I am sure that we shall all accept the suggestion of the hon. member for Danforth (Mr. Harris) who, in his speech tonight, urged that the committee get down to work at the earliest possible moment.

Mr. Knowles: Is the minister himself not to be a member of the committee?

Mr. Martin: The minister will certainly follow with great interest the work of that committee.

Mr. Knowles: But will have no voice on it.

Motion agreed to.

EXTERNAL AFFAIRS

REFERENCE OF ESTIMATES OF DEPARTMENT TO STANDING COMMITTEE

The house resumed, from Tuesday, March 7, consideration of the motion of Mr. Pearson:

That votes Nos. 64 to 84 inclusive, of the main estimates 1950-51 be withdrawn from the committee of supply, and referred to the standing committee on external affairs, saving always the powers of the committee of supply in relation to the voting of public moneys.

Mr. John Decore (Vegreville): In view of events during the last three or four years, Mr. Speaker, and especially in recent months, since it has become known that Russia may have the secret of the atomic bomb, and with all the talk about the hydrogen bomb and its possible devastating effects, the result is that most Canadians at this time are deeply concerned with regard to our position as a nation in international affairs. The pillars on which our western civilization has been constructed were those of freedom, truth, mercy and justice. We find that during our time and in recent years two monstrous regimes have emerged which have not only challenged the principles of our civilization but also have gone out to mock and to defile them. The first was Hitlerism which, after a bitter struggle which brought a great deal of bloodshed, suffering and misery to millions of people, has been finally subdued and, we hope, eliminated for all time to come. The second

was communism, which also defiled the virtues of our civilization, even before the second world war, and which has as a result of the last world conflict emerged much more aggressive, much more powerful and much more arrogant than ever before. Today it threatens our very existence and our way of life.

The world today is divided into two camps with two opposing ideologies: our western world with our way of life as we have shaped it through centuries of struggle for freedom, starting as far back as Magna Carta; and on the other hand, communism with its headquarters in the Kremlin, and which although purportedly championing the cause of the working class is doing nothing but carrying on a clever form of propaganda for the extension of Muscovite imperialism. During the course of this debate practically every hon. member who has participated has indicated a keen desire for peace and for some definite understanding with the Soviet regime. I share the same views and the same feeling. The sentiment of the Canadian people, I think, was ably enunciated by the Secretary of State for External Affairs (Mr. Pearson) when he spoke on March 3 on the floor of this house; as reported in *Hansard* at page 430, he said:

> Certainly this government would give every support to any new beginning which gave any promise of success. Let us not forget, however, in our determination or desire, our anguish to do something, that the road ahead will in any case be long and difficult. We shall have to walk it with patience and with caution, with persistence and with realism. If a new approach, for instance, did not get us anywhere—there is always that possibility—we must not even then give way to the inevitable reaction of despair which would follow.

In our efforts to seek a solution to our position as a nation in international affairs, it is worth while that we be reminded with whom we are dealing, based on the actions of the Soviet regime. It is the ardent desire of the Canadian people and, indeed, of all the people of the western world, to come to some understanding or devise some formula which would dispel the fear now existing and which would ensure us a lasting peace.

In our attempt to find some solution and to come to some understanding with comrade Stalin I think we should pause and examine some of the characteristics of communism and how it has operated to achieve and maintain the mighty power now held by Mr. Stalin and his advisers.

In bringing out certain facts pertaining to communism, and in making certain suggestions, probably a diplomat would do it in different form. However, I do not pose as a diplomat.

If a businessman wants to enter into a contract or some agreement with another person, he endeavours to find out all he can about that other person. Therefore let me, with a great deal of indebtedness to Dr. Watson Kirkconnell, president of Acadia university in Nova Scotia, who has made a similar enumeration at a public address recently given in Winnipeg, show instances of how Mr. Stalin and his group have operated. This, I say, will indicate with whom we are dealing. After completing a gangsters' agreement with Hitler in September, 1939, Stalin's army occupied eastern Poland, and the communists then proceeded to liquidate all educated and politically conscious elements in the population. Stalin ordered to be shot or transported from eastern Poland to Siberia 1,700,000 people who were either Jews, Poles or Ukrainians. Of these, approximately half a million were repatriated, and the Russians now report that there are no others left.

Another instance: A great many of the officer personnel of the Polish army in the last war, consisting of ten thousand officers, were mercilessly killed, most of whose bodies were found in the Katyn forest. These officers were official prisoners of war, protected by the Red Cross convention, and it is significant that the nazis were not found guilty of this crime at Nuremberg as the evidence points directly to Stalin's personal orders.

A further instance: Details of Stalin's type of genocide are available with regard to the three Baltic states, Latvia, Lithuania, and Estonia, which the Soviet armies occupied and incorporated into the U.S.S.R., not as a strategic move against Germany but in fulfilment of the agreement made between Hitler and Stalin.

Let me quote again from Dr. Watson Kirkconnell in this regard, with reference to the three Baltic states:

> Between August, 1940, and June, 1941, over 200,000 men, women and children from these little countries were shot or deported in cattle-trucks to perish in slave camps in Siberia and central Asia. In every known case, husbands were separated from wives and children from parents. After the Russian retreat in 1941, thousands of corpses of murdered citizens were dug up in jail yards and elsewhere and identified by their friends. Many of those whose photographs I have seen had been bestially mutilated by the communists.

Gregory Aronson in his book called "The Jewish Problem in Soviet Russia" summarized by Clare Boothe Luce before the House of Representatives, July 6, 1945, says:

> Approximately 50 per cent of the Jews who, before the revolution, had engaged in trade or in the professions, were physically exterminated. Partially this extermination was direct and violent; partially it was by the means made familiar to the world in German slave camps—the control of wages and of food and the forcing of labour to a point

which prevented those marked for liquidation from obtaining enough food for their bodies . . . Likewise the cost of survival included the abandonment by Jews of their moral principles, their religious beliefs and practices.

From Dr. Watson Kirkconnell I again quote:

In other words, Hitler massacred those who were racially Jews; Stalin massacred those who were spiritually Jews. In Soviet Russia only the apostate Jew could survive, the atheist who had renounced morality and religion as bourgeois prejudices, the recreant who had spit on his Jewish faith and had become a rootless revolutionary. Not a single Jewish newspaper remains in Russia today.

Another group that has been exterminated is the Greek community of the Kerch peninsula. The entire population, men, women and children, were shipped to perish in an Arctic slave camp and Russian colonists took their place.

A further instance: The Russians in the second world war began their fighting by liquidating five supposedly autonomous republics within the Soviet republic, namely: the Volga-German Soviet republic; the Kalmuk Soviet republic; the Crimean Soviet republic; the Chechen-Ingush republic and the autonomous national region of Karachayev.

This was confirmed in an official Russian statement on June 25, 1946. The murder of these national groups, equal to the population of Canada's maritime provinces, had been disclosed in the Manchester *Guardian* as early as March 23, 1945.

Everything points to the fact that today the extermination of entire social groups is in full swing in Czechoslovakia and Roumania. But by far the greatest victims of Stalin's mass murders and extermination have been the Ukrainians. Between 1926 and 1932 there was a complete extermination of the Ukrainian Orthodox church, with all its clergy and its leaders. Between 1928 and 1930 the extermination of the Don and Kuban Cossacks, with all their officers and intelligentsia, took place. Since the occupation by the soviet armies of western and Carpathian Ukraine, during this last war, the soviets are effecting the extermination of the Ukrainian Catholic church in that area.

Stalin's supreme victory in mass extermination and annihilation, an achievement which he can look upon with pride and satisfaction, was in the period between 1930 and 1935 when he liquidated the Kulaks, and then exploited a famine for political reasons, which resulted in the death of millions of Ukrainians from starvation.

It is difficult for me to understand why so many people in the United States and Canada fell for that communist propaganda, when this famine was explained by the politburo as social engineering. We have heard of famines at various times, but never was more bestiality displayed than this famine exploited by Stalin and his commissars. Again using an expression by Dr. Watson Kirkconnell, "as a murderer Hitler was a small time operator compared with Stalin."

The legal term "genocide" had been invented by an American professor, R. Lemkin, in 1944, and was used in the indictment of nazi war criminals at Nuremberg. The crime of genocide is defined as an act committed "with intent to destroy, in whole or in part, a national ethnical, racial or religious group as such." It was intended to define Hitler's liquidation of the Jews, but the irony of the Nuremberg trials was that during such trials soviet judges participated, whose master comrade Stalin far surpassed the acts of any person in the history of mankind in wholesale murders and exterminations. Hitler murdered the Jews as Jews, but Stalin never murdered the Jews as such, or the Poles as Poles or the Ukrainians as Ukrainians. His explanation is that he was liquidating these people as class enemies, as saboteurs and as traitors to the spiritual homeland of the workers of the world. To him the Soviet union is the fatherland of all progress, and all acts of mass extermination through shootings, famines or slave camps are for the benefit of the bourgeois world, acts of social engineering.

Again I quote from Dr. Watson Kirkconnell, where he says:

But let us look at the evidence a little more closely. We may note that it is precisely as Jews that more than half the Jews in the Soviet Union were exterminated. Those who were prepared to abandon their Jewishness and become atheistic communists were spared; but Jewry as a religious community was marked down for destruction. The same was obviously true of two other religious communities—the Ukrainian Orthodox Autocephalous church and the Ukrainian Catholic church. It was not a recalcitrant individual here and there who was seized upon. The whole community had to be destroyed. The same is true of many national communities—the Ingrians, the Kerch Greeks, the Crimean Tartars, the Volga Germans, the Cossacks of the Don and the Kuban, the Kalmuks, and the peoples of the Karachayev and Chechen-Ingush autonomous regions. These people have disappeared forever from the map of the world. On the long lists of electoral districts of the U.S.S.R. published in *Pravda* of January 12, 1950, one will search in vain for these vanished communities, most of them formerly listed even in the Stalin constitution.

I have enumerated only a few instances of Stalin's *modus operandi*, and as based on the research work of Dr. Kirkconnell. I have done it for two reasons:

Firstly, in our ardent desire for peace let us know with whom we are dealing and how

our potential enemy operates. Let me remind you that we are now in the midst of a cold war. We must not fall into that fatal fallacy whereby we want peace at any price and lose our self-respect. We certainly want peace but we want to have it with honour based on freedom, mercy, truth and justice.

My second reason is for defence purposes, and on this I shall elaborate. Although we must not underestimate the Soviet union's strength, we must also for defence purposes not overlook her weakness.

It is my submission that the manner in which the thirteen men in the Kremlin, with Stalin as the chief, acquired strength, is the source of their weakness. We may think for a moment that in exercising his acts of genocide on the Poles, the Ukrainians, the Jews, the Latvians, the Estonians, the Lithuanians and other national minorities as well as on religious groups, Stalin's problems within the Soviet union have come to an end.

We realize that, within the Soviet union, effective resistance to Stalin and his advisers has ceased under the circumstances. However, it should not be overlooked that there are certainly millions of people still living who have not yet forgotten the famine in the early thirties and the mass murders and extermination during the last war.

It is my submission that there are today millions of potential fifth columnists within the Soviet union who, although helpless at the moment, are waiting for the opportunity. Even today a certain force known as the Ukrainian insurgent army, UPA, is operating against the communists. Under date of February 22, 1950, in the New York *Times* as well as the Toronto *Globe and Mail* there appeared a news item concerning these insurgents. I quote the following from the *Globe and Mail*:

> Russian troops sent to Ukraine to quell revolt.
>
> Units of Soviet troops in Germany have been ordered to the Ukraine recently to assist in putting down an insurrection there, according to a front page article in today's *Der Abend* published in West Berlin.
>
> *Der Abend* today asserts that this story has been confirmed by Finns who have just been sent back from Russia and also by Stockholm reports.
>
> As in its account of the Leningrad plot, *Der Abend's* current version of Ukraine events declares that the participants include numerous Soviet officers who have deserted to the partisans because they believe that the politburo is preparing to war against the western powers. . . Estimates of the number of individuals active in resistance in the Ukraine total 20,000 to 30,000 *Der Abend* reports. They are, the story says, actively supported by a great part of the population.

We realize how difficult it is to get any real information from behind the iron curtain. I am not suggesting that the Department of External Affairs is not informed on this situation. It is my submission however that the Canadian government, as well as other governments of western democracies, should be prepared to take advantage of this weakness within the Soviet union for defence purposes, should the time arrive and we had to resort to all defences at our disposal. It is therefore my further submission that the Secretary of State for External Affairs should have in his department the type of assistant who could keep him fully informed on this matter.

When we consider the Kremlin's position outside the borders of the Soviet union, then it is apparent that Stalin's main difficulty at the moment is with his satellite nations. I now quote from page 111 of James Burnham's recently published book, "The Coming Defeat of Communism":

> The Soviet union has not yet succeeded in integrating the satellite nations into the communist system. The great public expression of this failure is Tito; but potential Titos and potential Titoism have been widespread throughout the satellite nations. Purges, liquidations, mass exilings to Siberia, trials, denunciations, have had to continue and multiply. Vice-premiers, generals, ministers, party members and non-party members, as well as cardinals and priests, have had to be dismissed or tortured or imprisoned or shot. Agricultural policy has had to tack and veer in trying to hold its course against the stubborn and sullen peasants.

We are hardly in a position to overstate the importance of Tito's defiance of the Kremlin even though he should eventually capitulate or be liquidated. Titoism is present in all satellite states—Gomulka in Poland and Markos, head of the Greek guerrillas, Hoxha in Albania, Rajk in Hungary and Kostov in Bulgaria.

Interesting developments are taking place in Czechoslovakia today.

Those who have made a study of communism as directed from the Kremlin realize that the ultimate goal is world domination. There is no question that the long and continued existence of Titoism would create a back-breaking strain within the communist movement and empire. Professor Burnham in his book with reference to Titoism says at page 112:

> From the point of view of the communist high command, there is this peculiarity to the Tito issue. If Tito succeeds in maintaining his independent position (which he can do only by aid from and links to the west, and a correlated wider political separation from the Kremlin) and if other Titos arise, then the communist plan for world domination cannot succeed.

We must realize that the threat of Kremlin world domination in its threat to our way of life and our very existence is startling and real. We appreciate the menace and we have taken certain defensive steps. The North Atlantic pact is an example as well as the

huge budget appropriations for defence this year. Probably we would not worry too much about the means test, concerning which we have heard so much lately, and other forms of social security which we Canadians would like to have, if we did not have to appropriate these huge sums of money for defence purposes.

There are, however, very few Canadians who, realizing our position, have any quarrel with the government's huge appropriation of money for defence purposes. It may be that the hon. member for Nanaimo (Mr. Pearkes) may not see eye to eye with the Minister of National Defence (Mr. Claxton) as to how the money should be spent, but I do not think there is any question on the part of the Canadian people as to the amount of money we appropriate for defence purposes. We are doing so because we are realists, because we cannot completely rely on wishful thinking that some day we will come to a definite and amicable understanding with comrade Stalin on the question of peace. The same principle applied when Canada took such a leading part in bringing into effect the North Atlantic pact. Being realists, our defence should not lie merely in the amount of moneys appropriated for guns, planes, tanks, submarines or other war material, although that is very important. We must also rely on other things that are available for defence purposes and especially take full advantage of the weaknesses of the potential aggressors. I have endeavoured to point out some of these weaknesses within the borders of the Soviet union as well as within the satellite states.

I should like to draw your attention briefly to our internal position in Canada. In doing so I should like to quote a portion of an article appearing in the *Financial Post* of March 18, 1950, which reads:

> Already a lot of organizations with fine democratic names have been exposed as ideological boiler shops. A lot of unthinking liberals and do-gooders who didn't investigate what they were getting into have been left holding the bag. Today there are three or four world-wide communist sales organizations. All are selling a highly marketable and desirable product, peace.
>
> The line is this: "If war comes it will be the fault of the Trumaniacs. The Soviet Union wants to ban the bomb. The others refuse to do so." In other words, condition our minds to accept the big lie, that if war does come, it will be of our making, not Russia's.

Then the article deals with a certain convention that took place in Budapest and it reads as follows:

> Recently the communist youth movement staged a world youth and student festival in Budapest behind the iron curtain. A young American who attended, writing in a United States magazine article, said he was "appalled" by what he called the "defamation" of the west. Among the hundreds of young delegates were thirty-two Canadians representing these organizations.

[Mr. Decore.]

Then the organizations are listed, and the article continues:

> At least twenty of the thirty-two delegates were known communists. Some were members of the "Beaver Brigade". This is a communist youth shock troop group. Since the war they have made annual trips behind the iron curtain to work with pick and shovel on communist work projects.

My reason for reading this article is to point out that, although there is the iron curtain, we in Canada allow Canadians to enter the Soviet union and her satellite states where they receive training and instructions in the art of communism and how to conduct a revolution. When they return to Canada we accept them, and naturally they act as leaders of potential fifth columns and continue to spread communist propaganda. I am not going to suggest what we should do, but I am leaving this matter with hon. members for their consideration. It may be, however, that our conception of freedom may go a bit too far.

The recent election in Great Britain has aroused world-wide interest and concern, not so much because we were interested in the victory of the Conservative party as such, or the British people's experiment in socialism, as because of the stand with regard to the Kremlin which that great wartime leader, Churchill, took after the second world war. Mr. Churchill was the first important statesman to warn the world at Fulton as to the intentions of Soviet Russia. He was widely criticized at the time but now four years later we know that he was right. He was roundly condemned for his stand on Greece when he was still prime minister of Great Britain, but subsequent events have proven that again he was right.

I do not wish to create the impression that I am a calamity howler so far as our relations with the Kremlin are concerned, but let me remind you of Mr. Churchill's speech approximately a year ago at Boston when he made this statement:

> I must not conceal from you the truth as I see it. It is certain that Europe would have been communized and London under bombardment some time ago but for the deterrent of the atomic bomb in the hands of the United States.

I am sure I am expressing the sentiment of all in the house when I say that I hope Mr. Churchill was wrong when he made that statement. Nevertheless he was right on so many other occasions. As a leading statesman of the world he probably knows Stalin better than anyone else in the western democracies. Since he made his speech at Boston we have learned that the Soviets have the secret of the atom bomb. If Mr. Churchill was right in making that statement, then the interesting and at the same time breathtaking question arises as to how long we have

to wait, now that the Soviets have the secret of the atom bomb, before they choose to bombard London or Edmonton.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, I do not intend to delay the house for many minutes but there is a matter of considerable importance which I should like to bring to the attention of the house before we go into committee. Earlier in the session I drew attention to the fact that the Canadian freighter, *Lake Canim*, sailed from Hong Kong with war supplies for communist China, and that she ran the nationalist blockade in order to deliver those supplies to the communist-held port of Shanghai. She made three attempts to do so. The first one was successful and two later ones were not. The matter of the blockade has been dealt with by the Department of External Affairs and a ruling has been given that the nationalist blockade could not be recognized as a blockade because it was not effective. As recently as March 22 a Canadian Press dispatch stated that the Montreal-owned freighter *Argovan* was to sail from Vancouver on March 23 with war supplies for the Chinese nationalist stronghold on Formosa. The dispatch goes on to say:

> Captain F. Delaney of Vancouver, master of the ten thousand-ton freighter, said that his ship will unload 75 surplus United States army tanks on the island's north coast . . .
>
> The *Argovan* is the fourth Canadian ship to take cargo into the Chinese civil war zone.

There we have two examples, one of a Canadian ship delivering war supplies to one side, the communists, and a few months later another Canadian ship taking war supplies, though they have not been delivered yet, to the nationalists. Canada is guilty of supplying war materials to both sides in a civil war. That is repugnant to a very large section of the Canadian people, and is not something of which this government can be proud. That has been brought about because the government has not declared a firm policy with respect to China; and I do feel that when this committee is set up it should be given definite directions by the government as to how it is to deal with this situation, because the Canadian people do not want to be guilty of fostering a civil war by supplying arms to both sides.

Motion (Mr. Pearson) agreed to.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will go into supply and consider the trade and commerce estimates until six o'clock. From eight to nine we will have private and public bills. After nine o'clock we hope to pass the motion of the Minister of National Revenue (Mr. McCann) to set up a committee on radio broadcasting and the motion of the Secretary of State (Mr. Bradley) to set up a committee to consider amendments to the Dominion Elections Act.

Mr. Fleming: Will those motions with respect to the setting up of committees not be called until nine o'clock?

Mr. Fournier (Hull): Some days ago I had an understanding with the opposition that we would try to get into supply one day a week to take up estimates. One of the most important departments is trade and commerce, and tomorrow afternoon I think we will take up those estimates.

It being five minutes after eleven o'clock, the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, March 31, 1950

The house met at three o'clock.

NEWFOUNDLAND

FIRST ANNIVERSARY OF UNION WITH DOMINION OF CANADA, MARCH 31, 1949

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, as a matter of special privilege and of interest, I am sure, to all hon. members of the house, may I take a moment to refer to the event of which the hon. member for St. John's East (Mr. Higgins) reminded the house yesterday. Even if he had not done so I am sure hon. members would have felt that today should not pass without our recalling that at midnight tonight Newfoundland will have been a Canadian province for a full year. It seems to me that, without any formal motion, the house would like to extend to the people of our tenth province greetings and good wishes on this occasion. We have all been delighted at the way in which hon. members from Newfoundland on both sides have contributed to our proceedings. They are at home with the rest of us, and we are at home with them. That, I believe, is the spirit in which Newfoundland has fitted, and will continue to fit, into our Canadian union.

Hon. F. G. Bradley (Secretary of State): Mr. Speaker, this is the 31st day of March, and in a few hours we shall stand on the threshold of Newfoundland's second year as a province of Canada. It may not be inappropriate that at this time I should make brief reference to our first year of partnership with the other provinces of our nation. I want to thank the Prime Minister (Mr. St. Laurent) for the words which have just fallen from his lips. They constitute an official confirmation of the fact that the other provinces of Canada and its citizens from east to west have received our people and our country as one of themselves.

From 1933 until 1946 Newfoundland experienced what some people were pleased to term a holiday from politics. In the latter year began a period of political warfare of various types which continued unceasingly until June of 1949. We had a national convention election, with all the guerrilla warfare and pitched battles which followed in its wake. We had the campaigns of two referenda. We had a provincial election, and, lastly, a federal election in June last. The net result of these three years of uninterrupted political battle was that we became the tenth province of the nation, with Liberal ministries returned to power in both federal and provincial fields.

To date, our experience of provincehood has been a short one—too short to measure long-term results with any degree of accuracy. But we can perhaps estimate broadly the prospects for the future, even by the short experience of the last twelve months.

The reception which was accorded to my countrymen and myself upon our first appearance in this honourable assembly of the Commons of Canada was so spontaneous and wholehearted that even the most implacable and irreconcilable anti-confederationist must have been convinced that our position here was not that of unwelcome guests, but that of valued members of the Canadian family of free people extending from the Atlantic to the Pacific.

During the year, changing world conditions indicated that difficulties lay ahead in many of our foreign markets, and there were indications that our favourable position as sellers, which had continued for a number of years, was disappearing. Outlets for pit props, pulpwood and sulphite practically dried up, with the resultant substantial unemployment in the industries concerned, as well as in certain other fields which ordinarily profit by their activity. In some sections of the country a short fishery added to our difficulties. In these circumstances the value of Canadian social services in the fields of unemployment insurance, family allowances, and indirectly even old age pensions, has been very substantial, and their beneficial effects are apparent even to the most casual observer.

The prospective problems which our people now face as a result of increased competition from soft currency countries, the devaluation of the pound, and the difficulty of obtaining convertible currency for sales in our European market, are of a character which might prove almost beyond the powers of an independent Newfoundland. Our people are heartened by the knowledge that their negligible bargaining power in the world markets is now supplemented by the weight and influence of this nation.

In the field of modernization of our basic industries there is much to be done. Aids to navigation and the industries of the sea, which are essential to any program in this field, are already under way and in contemplation.

Extensive research, aimed at increased production at lower costs, is to commence this year and will, I believe, in the foreseeable future, bring revolutionary economic improvement in this ancient and pre-eminently important Newfoundland industry.

Union has inevitably brought some stresses and strains. No reform was ever effected painlessly, but I am quite sure that the net effects thus far have been of great benefit to our people. And the unquestionable desire of the federal government to aid necessary development in every possible way gives confidence in the future, and an assurance that we made no mistake in joining the great Canadian family.

I have been a confederationist for nearly forty years. Our struggle to achieve union covered a period of three years of intensive effort against the honest, though mistaken, views of many opponents, and ended in victory but twelve short months ago. The experience of the year which is just expiring has proven to me that, amongst any achievements in my lifetime which may be laid to my credit, my share in bringing about this union stands pre-eminent. In the light of the events of the last twelve months, I am further assured that it is the effort in my career in which I can take the greatest pride.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to associate myself and the members of my party with the expression of good wishes that has been conveyed in this house to Newfoundland on the first anniversary of its becoming a member of this great partnership. I should think that on this occasion every Canadian would wish to extend to the people of Newfoundland the simple but well-understood greeting, "Many happy returns of the day".

We now share with the people of Newfoundland that justifiable feeling of pride which has been earned through centuries of effort and fortitude by the sturdy people who inhabit the oldest British colony in North America. Today one can still see there the souvenirs of these earliest settlements which really laid the foundation for the establishment of our system of free democracy on the North American continent.

Newfoundland, by its geographical position, was from the early days the bulwark of this settlement which gradually spread over the whole of North America. Much has happened since those early days when John Cabot, and others following after him, discovered the great possibilities of that rugged, challenging, and beautiful island. We have passed from the time of the small sailing ships to the present period of extremely fast transportation which now brings Newfoundland within a few hours of Great Britain and the European continent. It is in that modern world that the adjustments which are inevitable with a new association of this kind must be made. These developments of the past few years offer new opportunities to the people of Newfoundland, as they do to the rest of Canada. As a result of this union I would hope that vast new opportunities will open up for the people of that province, through the employment of their water power and other natural resources.

This marriage between Newfoundland and Canada, like even the happiest marriages, is not without some difficult adjustments. I feel certain that all Canadians who have welcomed Newfoundland so wholeheartedly into this union will express the hope that everything may be done by the government of Canada and the people of Canada to make the people of Newfoundland increasingly happy in this new association.

Mr. M. J. Coldwell (Rosetown-Biggar): Although my remarks will not be lengthy, Mr. Speaker, they will be none the less sincere. May I say that we join with the Prime Minister (Mr. St. Laurent), the Secretary of State (Mr. Bradley), the Leader of the Opposition (Mr. Drew) and all other members of the house in expressing our appreciation that at last confederation has been consummated. We hope and believe that the first year of this association has been a happy one, and we feel sure that it augurs well for the future.

The Secretary of State referred to the bitter controversy that occurred in Newfoundland prior to confederation. I was glad yesterday when the hon. member for St. John's East (Mr. Higgins) rose in his place, expressed his appreciation of the union, and introduced no note of partisanship. That, after all, Mr. Speaker, is the manner in which this house carried on the discussions which led to confederation. Differences of opinion there were with regard to details, but it is a happy instance of good will that, in reference to this parliament at least, there was unanimity in welcoming Newfoundland into confederation.

Mr. Solon E. Low (Peace River): I think it is fitting, Mr. Speaker, that this house should mark the end of the first year of Newfoundland's membership in the Canadian family of provinces and the beginning of their second year. At this moment I do not wish to do more than to join with those who have spoken in wishing the people of Newfoundland well, and to say to them that it has only been about forty-five years since Alberta joined the confederation. We have had our ups and downs; we have had to kick a time or two about the

way things were going; but, all in all, we have been happy that we came in. I am sure that the people of Newfoundland, at the end of their forty-five years, will feel the same way.

Judging from the calibre of the members of this house sent to us by Newfoundland, I would say that the people in Newfoundland in the future will be happy and will be one with us. I think we all feel much like the parents who have finally seen the last member of the family in at night and safely in bed.

Mr. J. H. Harris (Danforth): Mr. Speaker, it has been my happy experience during the last three decades to have associated with me two gentlemen from Newfoundland and their families. The Secretary of State (Mr. Bradley) spoke about some basic industry in Newfoundland. I just could not hear what he said, but I thought to myself that perhaps the greatest basic industry of the people there is to produce fine citizens, some of whom come and settle in other parts of Canada.

I want to take this opportunity of mentioning two names. One of them is Eli Frank Benson, a former neighbour of mine, whose dear wife is still alive, although he has passed on; she was the daughter of a Methodist minister. The family are still neighbours of mine. He had been associated with me for some twenty-five years, and did a great deal to help build up the industry of Canada. The other one is Stanley Patrick Martin, also of Newfoundland, whose widow and family are still in my community. These were two men from Newfoundland with whom it was my privilege to be associated. In common with thousands of others they did a great deal to help build up Canada. I hope that the basic industry to which I referred will continue to produce such men. I am happy to have this opportunity of being associated more and more closely with the province in which is included the constituency of the Secretary of State.

I thank you, Mr. Speaker, for the privilege of being allowed to pay tribute to these two families.

RAILWAYS AND SHIPPING

CHANGE IN PERSONNEL OF SPECIAL COMMITTEE

Mr. W. G. Weir (Portage-Neepawa) moved:

That the name of Mr. Drew be substituted for that of Mr. Browne (St. John's West) on the special committee on railways and shipping owned, operated and controlled by the government.

Motion agreed to.

House of Commons

HOUSE OF COMMONS

REPORT OF CIVIL SERVICE COMMISSION ON REVISION OF CLASSIFICATION OF HOUSE OFFICIALS

Mr. Speaker: I wish to lay on the table of the house the report of the civil service commission respecting revisions in the classification of officials of the House of Commons.

Hon. Alphonse Fournier (Minister of Public Works): May I give notice, Mr. Speaker, that on Monday or Tuesday next I shall move concurrence in the report of the civil service commission concerning the revision of salaries of the officials of this house.

BUSINESS OF THE HOUSE

WEEK OF APRIL 3, AND MONDAY, APRIL 17

Hon. Alphonse Fournier (Minister of Public Works): Many hon. members have inquired as to the business of the house next week and when we reconvene on the seventeenth. Monday will be private members' day; Tuesday we shall resume the debate on the budget, and Wednesday will be private members' day. Monday, April 17, will be private members' day.

NATIONAL DEFENCE

SEA ISLAND, B.C., AIR FORCE STATION—EMERGENCY QUARTERS

Mr. J. A. Blanchette (Parliamentary Assistant to the Minister of National Defence): In reply to an inquiry made by the hon. member for Vancouver-Quadra (Mr. Green) on March 30 with regard to the accommodation of the air force now at Sea Island, may I say that there are thirty-five married quarters units under construction under contract arranged by Central Mortgage and Housing Corporation, and it is expected that an additional seventy-five units will be allotted to the Sea Island station in the 1950-51 program.

PRIVATE BILL

FIRST READING—SENATE BILL

Bill No. 88, respecting the purchase by Canadian Pacific Railway Company of shares of the capital stock of the Shawinigan Falls Terminal Railway Company.—Mr. Pinard.

FISHERIES

HALIBUT—RECIPROCAL PORT PRIVILEGES TO CANADIAN AND U.S. FISHERMEN

On the orders of the day:

Mr. G. R. Pearkes (Nanaimo): May I direct a question to the Minister of Fisheries, notice

of which I have sent him? Has the minister recently signed a treaty or convention with the United States government with respect to halibut fishing on the Pacific coast? If so, will the minister make a statement as to the provisions of that treaty, and whether it will extend or split the halibut season?

Hon. R. W. Mayhew (Minister of Fisheries): The convention signed last week with the United States is not a revision of the existing Pacific halibut fishery convention. The new convention gives to United States and Canadian halibut fishermen reciprocal port privileges on the Pacific coast. These privileges allow Canadian fishermen to land their catches of halibut and sablefish in Alaska or other United States ports, to sell them locally on payment of duty, or transport them in bond to any part of either country. Our fishermen are allowed entry into United States ports also to obtain supplies, repairs and equipment. Similar concessions are granted to the United States halibut fleet in British Columbia ports.

Formerly the two governments had to pass enabling legislation each year to make this possible. The new convention will permit the continuous exchange of these privileges. In addition, the new convention gives Canadian halibut vessels these rights in ports of the United States proper as well as of Alaska. It has nothing to do with a split season.

Mr. Green: May I ask a supplementary question? Is there not a treaty being negotiated between Canada and the United States which will deal with the halibut season and other related matters? If so, when is it expected that the treaty will be concluded?

Mr. Mayhew: There was a meeting of the halibut commission last fall in Prince Rupert, and also in Alaska. This matter was then discussed, but no agreement was reached. There will be another meeting of the halibut commission shortly, and they may decide then to split the season, or they may not. However, it will be decided by the commission.

Mr. Green: There is no new treaty being negotiated?

Mr. Mayhew: There is no new treaty. This is only a port privilege treaty. It is not a halibut treaty or an extension or renewal of treaty.

SEED AND FEED GRAIN

OATS, BARLEY AND WHEAT—REQUEST FOR ASSISTANCE TO WESTERN FARMERS

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to direct a question to the Minister of Agriculture. I ask him the question now because of the approach of the Easter recess. In the drought areas of the west it is being asked whether the federal government intends to do anything to assist the farmers in those areas to procure seed oats, barley and wheat, which are selling at a high price this spring. As the minister knows, the situation on the prairies is serious.

[Mr. Pearkes.]

Right Hon. J. G. Gardiner (Minister of Agriculture): As I have said on a number of previous occasions, the matter of supplying seed grain to farmers, either by gift or otherwise, has always been considered a responsibility of the provincial governments, both east and west, and there has been no change in that policy. So far as I am aware, the provincial governments of the west are making provision to have seed supplied to farmers.

Mr. Diefenbaker: Will the minister permit one more question, having to do with feed oats and barley? Out west the price of feed oats is fifteen cents higher than it is in eastern Canada. The farmers want to know how that comes about, and are asking whether the government will do anything to give them similar advantages in the prices being paid for feed oats and barley.

Mr. Gardiner: It is just possible that the Minister of Trade and Commerce, who handles the marketing of grain, may have some information which I have not. But I am not aware that farmers in the west are paying more for oats and barley than they are in the east. It is a fact that freight is paid on grain from Fort William east, but I was not aware that that lowers the price that they are actually paying for it in the east as compared with what the western farmer pays. It lowers the price as compared with what they would have to pay if the freight was not paid.

Mr. Diefenbaker: The complaint I have is that the western farmer is paying a higher price.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Just to clear up that one point, if I may, Mr. Speaker, the western farmer buys at the street price in his locality. To the street price must be added the freight to Fort William. Therefore I am quite sure my hon. friend is mistaken when he says that either oats or barley sell at higher prices in western Canada than in eastern Canada.

Mr. Diefenbaker: I am talking about grains for feed purposes.

SUPPLY

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

DEPARTMENT OF TRADE AND COMMERCE

423. Departmental administration, $482,875.

Mr. Ross (Souris): Is the minister going to make a statement?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Yes. Perhaps in introducing these estimates, Mr. Chairman, I should make a statement. In doing so it will be my purpose to review briefly the trading position of the past year, 1949, and to give an analysis of prospects for the year 1950 as they are seen by the Department of Trade and Commerce.

A discussion of trade cannot be wholly separated from a discussion of the economic position of Canada. But as a good deal has been said about our economic position, particularly by the Minister of Finance in his budget speech and in earlier speeches, I will touch on the economy of the country only to the extent necessary to explain the trade position.

I need not tell hon. members that the past year has been one of extreme and violent world changes and adjustments. We have seen nations disappear behind the iron curtain. An example is the great nation of China, which was an important customer and supplier of Canada. Other nations have had changes of government which have not been to the benefit of Canadian trade. The shortage of dollars has caused the employment of restrictive practices, the result being prohibitions, quotas, and various arbitrary methods of cutting down dollar expenditures. We have been faced with a lack of convertibility of currencies, and this today is one of the serious obstacles to a free exchange of goods.

Another consideration has been the shift of economic power from Europe to North America, which has been important in dictating the conditions of movement of trade between North America and other countries. However, in spite of all these difficulties, the past year has been a prosperous one. Our economy has been riding pretty well on the crest of the wave. We can look back to 1949 as a very prosperous year for Canada.

I think it is remarkable that while other countries have been experiencing social and economic upheavals incidental to post-war readjustment, Canada has been almost totally unscathed during the reconversion period. I think it is too much to hope that we can complete our own adjustment fully without receiving a few scars, but up to the moment I think we can count ourselves as the most fortunate nation on earth in having escaped any serious difficulties in bringing about the adjustment from war to peace.

In discussing the future situation it is my purpose to give a fair balance as between the favourable factors and the unfavourable factors. As the Irish might put it, I intend to give a balanced statement, with the weight of the balance on the side of the unfavourable factor. I am not pessimistic about the future, but, as always, I shall try to give the committee my own outlook, and the reasons for it, without introducing undue optimism into the statement.

Let me give first a summary of trade for 1949. The exports for that year were very close to the peacetime high. As a matter of fact there was a drop in exports amounting to about three per cent of our total. Imports were about the same as in the previous year. We had a favourable balance of trade of about $250 million during 1949.

It is more and more the tendency, in discussing Canada's external trade, to discuss it in separate compartments. Perhaps I might first discuss our trade with the United States. That trade last year amounted to about $3,500 million, which is by far the largest trade between any two other countries in the world. As a matter of fact it is larger than the trade of the United States with any other four countries in the world.

Our exports to the United States last year were about the same as in the previous year, standing at about $1,500 million. Our imports from the United States increased by about $160 million. One contributing factor to that —and there are several—was the relaxation of restrictions that had been put on when we found it necessary to correct our dollar exchange position. But a very important contributing factor was the recession of business in the United States, which occurred about the middle of that year. Many items which up to that time had been in short supply became available from the United States in ample supply; as Canada was carrying out a very large investment program, a good many orders that had been placed previously were shipped in over the period of two or three months, and a great increase in our trade for those months appears in the statistics.

As I have said, however, we sold to the United States last year $1,524 million worth of goods, and we bought from that country $1,952 million worth of goods. In other words, we sent to the United States about fifty per cent of our exports, and bought from the United States about seventy per cent of our imports.

The balance of payments position on account of the larger imports without an

increase in exports worsened by about $200 million, to which dividend payments from Canada contributed. So that our balance of payments position with the United States was about $200 million worse for 1949 than it had been for 1948. In other words, our adverse balance of payments position rose from about $400 million in 1948 to $600 million in 1949.

When we turn to the balance of our trade with the rest of the world we find the position reversed. Instead of being on the same side as our overseas customers vis-à-vis the United States, we find that in our overseas trade we are on the same side as the United States vis-à-vis most of the world.

Taking, for simplicity, our total merchandise trade exclusive of the United States, we had in 1949 an export surplus of $690 million and a current balance-of-payments credit of some $800 million. About fifteen per cent of our overseas trade was with the dollar countries of Latin America. That presented no dollar problem. But for the balance of our trade we had to meet the difficulty of selling in dollars as against other countries selling in sterling. The fact that we were able to maintain our position in overseas markets is, I suggest, rather remarkable, taking into account all the unfavourable circumstances that faced our trade in those markets.

When we turn to the United Kingdom we find that our exports to that country actually rose $20 million above the level of 1948. The year 1949 was in fact the year of greatest exports to the United Kingdom of any peacetime year in history. I call that particularly to the attention of the committee, because, from statements which have been made during the past year in the house, one would almost assume that our market in the United Kingdom was gone forever. The fact of the matter is that our exports to England actually increased during last year.

Our total overseas exports, however, fell by some $90 million, or less than six per cent of our overseas trade. The reason for that was that some of our trade in the previous year had been unusual, in that it had included replacement of capital equipment. There were large items such as locomotives and railway rolling stock shipped to India, Egypt and South Africa. There was the sale of ships to overseas buyers. Those unusual items more than account for the drop in trade. Had these capital replacement items been cancelled out, our exports to overseas markets would have been about the same as in the previous year.

Our imports from the United Kingdom were slightly higher than in the previous year. Determined efforts are being made to step up imports from the United Kingdom, but the program is necessarily long-range, and we expect much more decided improvement in that direction during 1950 than we were able to achieve in 1949.

To sum up our trade picture in two sentences, in 1949 our exports to the United States were maintained in spite of a recession there, while our imports were increased, largely for productive and new investment purposes. Our overseas exports fell about six per cent, and while there was an increase in imports from the United Kingdom, there was a small over-all decline in total imports from overseas countries. Our adverse balance of trade with the United States consequently increased significantly, while our large favourable balance with the rest of the world was slightly reduced.

Turning now to 1950, we expect that our exports to the United States will rise substantially, and we expect our imports from that country to fall. The trade returns for the first and second months of this year support that view. In January and February our exports to the United States were up $38 million and our imports were down $15 million, improving our trade balance with the United States by $53 million. We regard that as a trend likely to continue throughout the year, for various reasons which I need not go into, one of which is the increased production of exportable commodities in Canada, such as petroleum and iron ore.

We expect some drop in our exports to the United Kingdom and to the rest of the world. We have not been able to measure the extent of the drop. In the first two months of the year there was a drop in exports to England of $20 million, but it is not definite at the moment whether that fairly indicates the trend. The drop of $20 million in January and February was accounted for almost entirely by lower shipments of wheat. The reason shipments of wheat were lower was that we found it impossible to deliver wheat in sufficient quantity at the seaboard to meet commitments and had to ask the government of the United Kingdom to permit us to postpone shipments of a substantial amount of wheat. That wheat will come back into the trade figures in April and May, and I am not sure that the drop of $20 million in January and February is particularly significant.

We know that the government of the United Kingdom has in hand a belt-tightening program designed to save dollars and we are pretty certain to feel the effect of that program over the new year. On the other hand we believe that there will be an increase in imports from the United Kingdom as a result

of the current dollar-sterling effort and in consequence of efforts that have been made already.

So far as the rest of the world is concerned, the situation in Argentina is disturbing to the point where we have been able to trade very little. Dollar markets have been practically closed in that country. Trade with the rest of South America continues on a fairly stable basis, and the probabilities are that exports to overseas countries, excluding the United Kingdom and the sterling area generally, will be on about the same level as those of the past year.

During the past year we took in various trade discussions, including the tripartite talks in Washington having to do with trade between the United Kingdom and the sterling area generally, the United States and Canada. We will also take part in another trade discussion at Torquay to follow up the trade discussions at Geneva and Annecy. It is well to keep in mind that the trade discussions at Geneva played a great part in opening up markets in the United States and making possible the considerable increase of exports to that country. Some forty nations will meet at Torquay in September of this year, and we hope that meeting will result in a still further lowering of trade barriers between participating nations.

As a trade promotional effort I may mention the international trade fair to be held once again in Canada at the end of May. This trade fair has been most helpful, particularly to our overseas customers in opening up Canadian markets for their goods. This year there will be a considerable increase in the displays from abroad. Through the agency of the trade fair I think the department is doing useful work in promoting the exchange of goods in a field where effort of that kind is badly needed.

Canadian trade at the present time reveals a number of cross-currents and divergent trends which may well seem confusing. In fact a good many can be traced to the same source—the chronic world shortage of United States dollars. There have been two outstanding considerations in the development of Canadian trade. One is the over-all growth of both exports and imports has increased two-fold and threefold in value in the last decade. The other is the increased proportion of our increased trade which we now carry on with the United States. There has been an increase from about fifty per cent in our total world trade in 1939 to 60 per cent of current world trade.

We find that we now have, and I think we can expect to continue to have, a good market for staple products which Canada traditionally exports, such as wheat, flour, metals, lumber, pulp and paper. These markets seem to be in excellent condition, and we do not expect any particular difficulty with such products. Canadian manufacturers are finding it easier to sell their manufactured goods in the United States than in Europe. I believe that our sales in Europe of manufactured goods depend largely on the amount of effort that is being put behind the selling. During my recent visit to Europe I met vigorous representatives of one of our large farm implement companies in Rome, in Paris, in Belgium and in Holland. As a result of the efforts being put forth by that company its sales in Europe have risen greatly. Because of that kind of selling that company is now the third largest manufacturer of agricultural implements in the world.

Mr. Macdonnell (Greenwood): Was that from the Canadian plant?

Mr. Howe: I refer to a Canadian company with foreign subsidiaries, but Canadian exports play a large part in selling on the continent. That company has risen from twelfth place before the war to third place now in the list of farm implement manufacturers in the world.

I am glad to say that in all four capitals I met representatives of the government's own Polymer Corporation. That company is operating at full capacity, and has been since the war, largely as the result of a very active sales program. More than one-third of the rubber produced at that plant is sold in the United Kingdom and in Europe. That, I think, is worth noting at a time when synthetic rubber is being produced greatly in excess of demand and when the price of synthetic rubber is higher than the price of natural rubber. In spite of such handicaps this government-owned corporation is capable of carrying out a selling effort which is disposing of its output, more than one-third of which is going into markets which our manufacturers consider the most difficult in the world.

Mr. Coldwell: A pretty good recommendation for public enterprise.

Mr. Howe: Well, this is different; this is my enterprise. I could give other examples of manufacturers who are selling their products in Europe. They would all be manufacturers who are willing to spend money and effort on selling programs in Europe, and willing to send their top executives there to do the selling rather than third-string sales agents.

Canada must battle for agricultural markets, and in that battle Canada and the United States are handicapped in competing with producers in sterling countries. The dollar

shortage plays its part but there is no indication that the markets are not sufficient to absorb Canadian products as well as those of sterling countries.

Mr. Fulton: What about apples?

Mr. Howe: That is a bright remark. We are talking billions, and my hon. friends speaks of apples, which incidentally are hardly food. Their main content is water. However, Canadian food products have an excellent position in foreign markets. Our wheat, in particular, is outstanding in quality. It is the preferred wheat in every country in the world. The grades are reliable, the protein content is high, and I have no particular worry about being able to sell Canada's wheat crop.

Our sales are being guided by our Canadian trade commissioner service abroad. We have able men in every country whose duty it is to warn us of market changes and to give us advice on market opportunities. I believe it is remarkable that when one market has been lost through restrictions or for other reasons, these trade commissioners have been able to find outlets for the same products in other markets. The world is wide and we know from experience that the loss of one market does not necessarily mean that no alternate market can be opened up.

One very striking fact is in evidence; the seller's market is over. Today all markets are buyer's markets, and in every market the Canadian exporter meets tough competition. I am glad to say that our price structure in Canada is such that we are well able to meet that competition wherever we encounter it, in the United States or in world markets abroad. It seems to me that a buyer's market is a normal market, and I am not particularly disturbed because of the fact that we are now in a market where the seller really has to work to dispose of his products.

A great deal has been said about Marshall plan dollars. They are not nearly such an important factor in selling today as many would suppose. It is generally considered that to sell in the sterling market, or in any foreign currency markets, there must be Marshall plan dollars. That is not so. The supply of free dollars is increasing all around the world, and each year we are becoming less dependent upon the Marshall plan. Of course that was the purpose of the Marshall plan—to rebuild the economies of the recipient countries so that by the end of 1952 that kind of support would no longer be necessary. A little later I shall say something about the Marshall plan as I saw it in operation at its headquarters in Paris, but I can say that only a very small proportion of our overseas trade today depends upon Marshall plan dollars, and much of that trade would be carried on if there were no such dollars. It is well to remember that overseas buyers do not purchase Canadian goods just because they love Canada. That may be a factor, but the main reason is that they need the goods. If the goods are needed badly enough, I think there are very few countries that are not able to finance necessary purchases at this time.

I might say something about the gross national product—that is, the value of everything produced in Canada in a certain year. I know our gross national product has been mentioned on other occasions, but its total amount is very closely related to the volume of our exports. Last year the gross national product in Canada rose to $16,000 million, being up $500 million from 1948. For 1950 we are forecasting an increase of between $200 and $300 million in the value of our national product. It is interesting to run back over the years to see how that value has increased:

	Gross national product (billions)
1926	$ 5·2
1929	6·0
1933	3·5
1939	5·6
1948	15·5
1949	16·0
1950 (forecast)	16·3

Mr. Wright: Has the minister the figures showing the physical volume?

Mr. Howe: Yes; I shall give those in a moment. First I should like to give the value of our production per capita—that is, the value produced for every man, woman and child in Canada:

1926	$ 550
1929	600
1933	330
1939	500
1948	1,200
1950 (forecast)	1,210

In terms of volume—that is, reducing values to the basis of 1926 and taking that year as 100—the figures were:

	Gross national product (billions)
1929	$115
1933	82
1939	124
1948	205
1949	211
1950 (forecast)	214

On the same basis, the volume per capita went up from 100 in 1926 to 152 in 1950.

Mr. Brooks: That is not per capita, like the dollar value?

Mr. Howe: No, the figures are production in billions of dollars. Taking 100 for the year 1926, the per capita figure is 109 for 1929; 73 for 1933; 105 for 1939; 151 for 1948, and the forecast for 1950 is 152.

We also expect a substantial rise in public investment in 1950. Investment, of course, stands side by side with our export trade, as a significant factor in the strength of our economy. I do not seem to have the figures for the increase, but I believe last year the total capital investment was approximately $3,400 million, and the prediction for 1950 is that it will be about $3,600 million. We expect 1950 to be the greatest construction year Canada has ever experienced.

It is interesting to note that since the end of the war there has been a total investment in capital equipment—that is in buildings, machinery and production equipment—amounting to $11,700 million up to the end of 1949. In other words, Canada has invested in plant and equipment practically the amount of Canada's total national debt in the five post-war years beginning with 1945.

Mr. Coldwell: Can the minister tell us how much of that is public and how much private investment?

Mr. Howe: I am afraid I have not that break-down with me today. I have a few notes before me, and I am trying to pick out significant figures as we go along. I will give the hon. member those figures later.

The trend for 1950 is towards a larger proportion in business properties, hospitals and government investment generally. A smaller proportion is going into factories and machinery than was the case in 1949.

One thing that has affected the situation this year, and will continue to do so in 1950, is the drop in agricultural production in 1949. Owing to weather conditions, there was an over-all physical production drop of about ten per cent. The wheat crop was about 26 million bushels less, yet there were 3·4 million acres more in production. Approximately 2·6 million acres had been taken out of other grains, and this, coupled with unfavourable weather conditions, reduced the coarse grain and flaxseed crop by 115 million bushels. The hay crop was about one-quarter less, putting pressure on our dairy producers. This will have its effect on exports in the early part of 1950, because, owing to these short crops, we have not as much to export as we would have had if the crop had been normal.

I should say that our forecasts for 1950 are based on average crops rather than on the subnormal crop that we had last year. If this year's crop is subnormal, the estimates will be too optimistic; if the crop is above normal, our estimates will be too pessimistic. In referring to agriculture generally, the five-fold increase in farm machinery sales in Canada from $52 million in 1939 to $239 million in 1948 and $255 million in 1949 hardly indicates an agricultural industry that is unduly depressed.

So far as the basic industries of Canada are concerned, the construction industry will have its biggest year in 1950. The newsprint industry is running at capacity for the present, and the indications are that it will do so throughout the year. The pulp market was soft during 1949, but has now strengthened, and Canada's pulp industry is running at full capacity. Indications are that this is likely to continue throughout the year. The lumber industry is in a prosperous condition. To illustrate how conditions change, I may say that last November the lumber industry felt itself to be in a serious condition. I believe that was mentioned in the house. Delegations from both the east and west waited upon the government, pointing out the serious conditions facing that industry. Today, however, the lumber industry is booked to capacity. I am told that industry has sufficient orders to keep it running at capacity for the remainder of the year.

To indicate the position of the west coast lumber industry, tenders were asked by the United Kingdom for 132 million feet of lumber. The west coast mills were unable to quote on the full order, not having unbooked capacity. The United Kingdom fortunately decided to extend the time of delivery and Canadian mills can thus quote on a substantial portion of the order. So far as the east coast is concerned, last autumn we were endeavouring to get the United Kingdom to call for tenders for $2,500,000 worth of eastern lumber from Nova Scotia, New Brunswick and eastern Quebec. The call for tenders was delayed, but was finally issued in January and tenders were sent in for about $6 million worth of lumber. Instead of buying the $2,500,000 worth of lumber, the United Kingdom bought the entire $6 million worth. This will keep the eastern lumber industry booked with all it can handle, in addition to supplying the normal United States market and the domestic markets for the remainder of the year.

Mr. Brooks: I had intended to ask the minister a question along that line, but I should like to ask about the pit prop industry in New Brunswick. Can the minister give any information about it?

Mr. Howe: The pit prop industry is not going to be the industry it has been in the

past. When I was in France I happened to pass a considerable forest that had been burned over. The timber from that forest was being cut up for pit props. I asked the man in charge where the pit props were going, and he said to the United Kingdom.

Pit props are the lowest form of lumber that can be cut, and it is inevitable that those using them will get them in the cheapest market. Taking transportation costs into consideration, the cheapest market is not likely to be Canada, although I understand small quantities of pit props are being sold. The pit prop industry, as we knew it during the war years, was an abnormal industry. I am afraid it will never reappear on that scale in the foreseeable future.

Mr. Brooks: At one time the minister suggested we might get a market in Turkey; has he any information on that?

Mr. Howe: Negotiations are still under way. We have had a market in Turkey, and I think its purchases this year will be about on the same scale as the purchases last year.

Mr. Brooks: Nothing definite?

Mr. Howe: Nothing closed.

Mr. Green: Will the minister comment on the attempt which is being made by the lumbermen in Washington and Oregon to have restrictions placed against the importation of Canadian west coast lumber into the United States? We read articles about these men demanding this and that, and I was wondering how serious that attempt is.

Mr. Howe: I am fully aware of the propaganda that is going out through newspapers on the west coast. I have heard no evidence that it has its repercussions in Washington. I can hardly believe that the government of the United States would reverse its thinking to the extent of putting up barriers against lumber, in the light of recent trade agreements that have opened that market. I cannot predict what other governments will do, but I should be greatly surprised if anything of the kind happened.

Mining is a growing industry in Canada. New properties are being opened up. The production of gold is increasing. While base metal prices are tending to fall, particularly the price of lead, the prices are still highly satisfactory and metal mining throughout 1950 will make about the same contribution in volume, if not in dollars, to our export trade as in 1949. Markets for fish are likely to absorb Canadian production. There is no indication that Canadian fish will not find markets abroad in the future as it has in the past. Among the industries that will be down for 1950 is shipbuilding. The demand for new shipping is not as brisk as it was immediately after the war, and devaluation has placed Canadian prices somewhat out of line. There was a great post-war demand from abroad for railroad equipment to replace equipment damaged by war. That demand has now been filled and our industries are falling back more and more on domestic orders, which are still substantial. But as to export markets, we cannot expect the same contribution from that industry. The same applies to machine tools, which has been an active industry in Canada but which again is largely dependent on domestic demand. As to the domestic consumer demand, we look for an active year, with no lessening of buying activity.

The wages paid in Canada this year are likely to be in total somewhat above the wages paid last year. There is no indication that the savings of the Canadian people are being depleted in any way and I see no reason why there should be any great let-down in domestic demand for manufactured goods. As to our two annual publications, "Public and private investment in 1950" and "The supply of building materials outlook for 1950", I may say that these publications have been in the printers' hands for some weeks now and I sincerely hope that I can put them in the hands of hon. members when the house re-assembles after the Easter recess. In the field of building materials, the situation will be better for 1950 than for past years. The only possible shortage might be in lumber for which an active export demand is bringing about prices higher than those of last year. But somehow or other we hope to have sufficient lumber for the requirements of the year 1950, and we think that other supplies will be in more adequate supply than in recent years, by reason of expansion of production capacity.

In making the predictions for 1950, I am of course assuming that Canadians will show at least the same initiative, enterprise and self-reliance as have the citizens of some other countries which are less fortunately endowed than we are. Up to this time we have had wonderful co-operation and a wonderful effort from both labour and management. I think we have a right to assume that the same condition will prevail during the year 1950 and that there will be the same absence of interruptions through labour disputes that we enjoyed in the year 1949.

Before sitting down, I may perhaps mention impressions gathered during a trip to Europe this spring. I should say at once that the trip was a holiday trip. My wife and I felt we needed a holiday and we decided to take one together for the first time that has been possible since 1939. The reason we went to

the continent of Europe was that I was anxious to get the atmosphere of the continent and a firsthand view of conditions there. For the benefit of the hon. member for Peterborough West (Mr. Fraser), who seems to worry about such things, I should say first that all the expenses of the trip were paid by the Howe family and not by the public treasury. For that reason I have not felt it necessary to make any particular report.

I had several purposes in mind in looking about the continent. The first one was, as I say, to get the atmosphere of the present situation. Then I was anxious to call on Canada's customers. That used to be a good way of selling; and it seemed to me that a personal acquaintance with my opposite numbers in some of the European countries would be helpful. Then I wanted to discuss with members of governments over there the trade possibilities for the future and to make sure that we were not leaving any avenues unexplored. I wanted to talk with the great trading organizations that make their headquarters in Europe. They were customers of mine in the past before I entered public life, and it seemed to me that from their far-flung trading experience they would have a fair idea of the trading possibilities in every country in the world. Therefore I called on companies like Dreyfuss, Bunge, Continental and two or three other great trading companies and had talks with their officers. I also spent two or three days with the Marshall plan organization in Paris. I spent some time with Mr. Harriman and his assistant, Milton Katz, in going over the ECA program and discussing the improvements taking place in the countries that are receiving aid from ECA. I also discussed an organization that is less well known here, the organization for European economic co-operation. I found that I had underestimated the improvement that is taking place in ECA countries. It was evident on talking with responsible leaders in each country, and it was still more evident after going over the situation with Mr. Harriman and Mr. Katz in Paris. There is no doubt that Europe is making progress toward free convertibility of exchanges. A program to that end is advancing towards completion. An ingenious program has been worked out with reference to balance of international payments problems and an aggressive leader, in the person of Dr. Stikker of Holland, has been placed at the head of the program. I had a talk with him at The Hague, as a result of which I look for an early return of convertibility of currencies within Europe.

Mr. Coldwell: In Europe?

Mr. Howe: In Europe, yes. With that program is coupled the lowering of trade barriers and removal of restrictions.

Mr. Green: Does that include the pound?

Mr. Howe: It is hoped that it will include the pound. The British treasury is not fully in agreement, but would seem to be coming into line. The program is hardly workable without the pound. The objective is a program that will make the pound and European currencies freely convertible. You might take the offhand view that this will mean a European bloc, and that trade with America will be influenced adversely. I do not agree with that view. I put that hypothesis before the officials in Paris and it seemed to me that their answers were satisfactory. They seem to have provided safeguards against inflation, and for preventing that market getting out of balance with our own market. It seemed to me that they had satisfactory answers to the questions that I asked in that regard; and I came away convinced that such an arrangement is a logical first step toward the return of convertibility of currencies throughout the world.

I found that the countries I visited were becoming less dependent on Marshall aid, and more and more tending in the direction of the return of trade to private enterprise. In Belgium wheat and coarse grains are about the only commodities that are now handled by state agencies. In Italy and France more commodities are being handled by state agencies, but the list of those commodities is being cut down from time to time. There is a return in Europe to private trading, which I think is most favourable to Canadian trade. We in Canada find it easier to do business with private traders, who are concerned only with price and quality, than we do with governments that have other factors in mind.

I found the people in all four countries that I visited were working hard. That was particularly noticeable in driving about the country districts. Every square inch of land was being cultivated. Those who were working the land seemed to be cheerful and happy. Food was plentiful. There were no food restrictions in the countries that I visited. There was plenty of food at reasonable prices. Each of the countries had a population problem. The growth of population has outstripped the productive capacity of the soil. That fact is a worry in all of these countries. Wherever I went I met a discussion of the possibilities of immigration to Canada. We in North America, with plenty of land, are bound to give serious attention to that problem.

Mr. Green: Did the minister find that in the United Kingdom, too?

Mr. Howe: I did not visit the United Kingdom. On the day I left Canada an election date was fixed in the United Kingdom. On the day I left Europe the results of the election were known. I thought perhaps the timing was unfavourable for a visit from a Canadian cabinet minister. I had wanted to go to England, but I cancelled that visit.

The threat of communist domination, which was very evident and very serious during my visit in 1947, seems to have been reduced to manageable proportions. There are still large numbers of communists in France and Italy, but they are clearly in the minority. The dividing line has been drawn, and, assuming that the productiveness in those countries can be kept up, provided there is no shortage of food, I think the fear of communist domination in the four countries that I visited was much less than during my visit in 1947. I came back from that earlier visit feeling that there was a possibility that communism would sweep western Europe, as it has swept eastern Europe. I came back this time with a very strong feeling that that would not happen.

I must say that I never had a more enjoyable holiday. My wife and I combined a good rest with most enjoyable contacts with old and new friends in Europe. I hope that I may be privileged to repeat the holiday under similar circumstances before many years go by.

Mr. Ross (Souris): Mr. Chairman, I am sure that all hon. members have listened for the past hour with intense interest to the statement of the Minister of Trade and Commerce. Those of us who have spent some years in the house have come to know him as a great optimist. He certainly has been optimistic about Canada's future, at least for the next year. I am quite sure that every hon. member, irrespective of where he sits, hopes that that optimism will be fully realized, and even more.

The minister spoke on the matter of trade and economics and said that they could not very well be separated. I am sure we agree on that point. He spoke on the lack of convertibility of foreign exchange. That is one of the very great problems of this nation today. There is not much argument about that. He dealt at some length with our trade with the United States, and said that it was greater than that of any other two countries in the world. I accept the statement he made. He said that 50 per cent of our exports were to the United States, and 70 per cent of our imports were from that country, and that our adverse trade balance increased from $400 million in 1948 to some $600 million in 1949. He also pointed out that the manufacturers in Canada found it easier to sell in the United States of America than in Europe.

I am sure that most of us are very much concerned about the United States market. The minister also said that there was no trouble in selling Canada's wheat crop. That will also interest very many of us. May I add that the great nation to the south of us produces many of the same types of surpluses that we in Canada do. Especially is that true of agricultural production. Therefore we do have, as the minister said, very many of the same problems, in the matter of looking after foreign markets.

He also said that, as a barometer of agricultural prosperity in this country, farm implement sales had increased fivefold in the past year. They had increased from about $52 million to $230 million. I am sure that anybody who knows our farmers, particularly our western farmers, knows that they are great spenders. If you give them the money they will see that there is prosperity, and money moving in this country. That has been their tradition in Canada up to date.

The minister might have added that the cost of farm implements had increased 12 per cent in Canada during the past year. The estimated requirements of farm implements in Canada in the coming year, which the minister has been so optimistic about, are still over $200 million, and farm implements are still increasing in price. Of the Canadian farm implements 95 per cent are manufactured in eastern Canada. I know we cannot discuss in detail one factor which is going to enter very effectively into the rising cost, namely, freight rates. Increases have taken place in freight rates, and arguments are going on now. That will add considerably to the cost of farm implements. Of the estimated requirements for 1950, 60 per cent of the implements are required in the prairie provinces. Therefore we shall have quite an added cost over last year on these important commodities. That in itself is quite an item.

Our farmers, even sometimes when they have not the wherewithal to purchase these implements, are great buyers. They do try to keep up to date in modern equipment in so far as possible, and they should.

The Canadian people, despite all of this optimism, have a bit of fear about the future. I hope that that fear will not be realized. Some of us have it today. The Canadian people are now realizing that our trade is slipping, to some extent. In 1949 our over-all external trade dropped by about $87 million. In the first two months of this year indications are that our over-all trade was $22 million down, and our trade with the commonwealth $45 million down. I know I cannot discuss this, but measures have been proposed in this house to try to bring about a

trade conference, which I think would be all to the good for our primary products. But the government defeated the proposal.

During the past year we have been very fortunate in that the Marshall aid of the United States—and the minister made some reference to that plan—has helped us. Money was supplied to the extent of several hundred million dollars by the United States, especially in order that Canadian wheat could be supplied to the United Kingdom. Had this all been done otherwise, our trade position with the United Kingdom would have been very different from that set out by the minister.

Mr. Howe: No.

Mr. Ross (Souris): Wheat could be delivered to them, involving several hundred millions of dollars of Marshall aid money.

Mr. Howe: Marshall aid money was applied to Canadian wheat; but we would have sold our wheat, whether it had been or not. Marshall aid money for wheat did not help Canada particularly. It did help Great Britain's dollar balance with other countries. The dollar balance with Canada was taken care of in other ways, without Marshall aid.

Mr. Graydon: It didn't do you any harm.

Mr. Ross (Souris): No, it did not do the minister's position any harm at all. That plan was made available to Great Britain to take much of our production, and much more wheat than anything else. That is what happened.

Canada is—and we will all agree, including the minister—a great exporting country. Our prosperity certainly depends upon export markets abroad. I pointed out that while we are deeply interested in United States markets, yet the United States and Canada produce many of the same type of surpluses. Therefore we both have to look abroad for trade.

I have here the December 10 issue of *Foreign Trade*, a most interesting journal put out by the minister's department. On the first page I find an article which, because of its interest, I shall read into the record. It deals not only with the export but with the domestic situation, and says:

> A reduction in Canadian export volume from the peak year of the war did not reflect corresponding reductions in production. It was due in part to increased domestic consumption. The Canadian agricultural economy, at the present time, was producing at a level that met the effective demand, and in some commodities tended to exceed it. But, the effective demand was restricted by monetary difficulties and trade restrictions, rather than lack of hunger, when the dollar supply was taken into consideration.
>
> "The importance of agricultural exports in our economy places Canada in a unique position," the minister declared. "Products of farm origin, while below wartime levels, still represent a substantial part of total exports, and of these wheat alone accounts for about 15 per cent. Canadian farmers, therefore, are still vitally concerned with world markets and are fearful lest monetary difficulties and other trade obstructions deny them entry to their natural market, which is the market of Great Britain. We are the nearest of all countries which supplied them in wartime. We still want to supply them until their needs are satisfied. If we did that, we would not have any marketing problem in those products which they required from us during the war.
>
> "During recent years, as much as 44 per cent of our farm production has entered export trade. To take wheat again, as an example, about 75 per cent of our production has been sold abroad. Thus, in relation to some other exporting countries, Canada has an economy which is particularly dependent upon exports; both from the point of view of the volume and the consequent reaction of Canadian prices to changes in world prices.
>
> "We welcomed the statement of the United States representative that they are anxious to put part of the area now in grain back into grass. The economy of Canada would benefit by that being done at an early date. It is essential for us to export 75 per cent of our wheat. Unless our exports can be maintained, we cannot continue to purchase large quantities of goods from the United States and the United Kingdom. We should purchase from other countries, including those two, such goods as they can produce at lower costs than they can be produced in Canada.

On that point, I think there should be more co-operation between the departments of our own federal government. It was pointed out during the discussion of the estimates of one department, which amounted to $420 million, that the purchase of one hundred F-86A aircraft had been recommended. I am not technically qualified on the subject, but that recommendation had been made. True enough, they were to be produced from a plant in Canada, financed to some extent by American capital. It was pointed out however that the Vampire machine, which has features which make it preferable, could be purchased from the United Kingdom for one-third of the amount asked for the F-86A.

I am not going to discuss the details, but if that suggestion is correct, then we see here where a saving could have been made, and our relations with the United Kingdom fostered, so that our trade might be helped in the matter of disposing of our own agricultural production. I am citing only that one example, but I do suggest there should be closer co-operation between departments of government in making purchases, so as to create a better export trade market.

Apparently there are different points of view held by different ministers of the federal government concerning the methods which should be followed. We heard the Minister of Fisheries (Mr. Mayhew) state that, while he was not speaking for the government, he was setting forth a plan for barter deals to boost

Canada's trade, and to sell Canada's food and other primary surplus production in the non-dollar area. That is a plan which certainly should be given some consideration. He said it was his personal view, and it was evident that there is a great difference of opinion within the government on such matters. But even the fact of a minister of the government giving it serious consideration is of importance.

Many of our manufacturing and assembly people in Canada enjoy far greater protection under the federal government today than they have had at any time in the history of Canada. This comes about because of controls, taxation and the like. Many large industries now enjoy greater protection, as a result of federal government plans, than they have ever enjoyed. This has an important effect, because it all enters into the cost of production of the primary producer, and into the cost of living with which the consumers are faced.

When discussing another matter on March 27, I set out a list of figures, and they may be found at page 1168 of *Hansard*. At that time I was quoting from the Winnipeg *Free Press* of March 20, in which had been set out a list of articles, many of them very important not only to the farm producers but to the people generally throughout the nation. These figures dealt with an automobile which cost 20 per cent more in Winnipeg than in Minneapolis. Then there was an article which appeared on March 21 that dealt with many electrical fixtures, some of which cost as much as 40 per cent more in Winnipeg than they did in Minneapolis, despite the fact that both these cities are centrally located in the neighbouring countries, and are about the same distance from the great manufacturing areas.

In my view that great difference should not exist, in view of the degree of co-operation we profess to have with the nation to the south of us. As I said, I do not believe there was ever a time since confederation when certain of these industries had greater protection than they have today. Controls, taxes and embargoes applied by the government have added to the cost of agricultural products, and to the cost of living in this nation.

When the Minister of Trade and Commerce is discussing his estimates I would ask him to explain why this situation should continue during these times. I also placed on *Hansard* some figures having to do with raw products —livestock and other such commodities— sold on the same date by agricultural producers at Winnipeg and, in the United States, at Minneapolis and St. Paul. Those figures may be found at page 801 of *Hansard*.

[Mr. Ross (Souris).]

It is a strange fact that in practically all of these instances the United States farmer received a great deal more for his raw product than did the Canadian farmer; yet when he came to buy a processed article, in most cases it could be bought cheaper in Minneapolis than in Winnipeg. Surely that situation requires some explanation to the consumer. It is a condition which should not be allowed to exist at this time, particularly in view of the measure of co-operation which we are told exists between these two great nations. I would ask the minister to give the committee some explanation as to why a situation of that kind does exist, because it is a matter of some importance.

The point is made, in the article from the minister's department to which I have referred, that it is essential to the economy of Canada that we export 75 per cent of our wheat. It is essential not only for the people who produce that wheat but, as indicated by economists, in the Sirois report of the 30's the production of wealth in the form of wheat and other grains has more to do with saving our economic system in Canada than anything else. There is not only the production of wheat, there is its transportation, financing, storage and the many other ramifications of this industry during the year after the crop is grown and delivered to the elevator. It is most important to the economy of this country as well as to those who produce the grain itself.

It is realized by many people that the powers of the Canadian wheat board expire on July 31, 1950. At the opening of this session I asked if the policy with regard to the handling and disposal of the 1950 wheat crop would be made known before the Easter recess so that our farmers would have that information before seeding time. The minister has stated that floor prices for oats and barley will be announced before seeding time, and I now ask him to state whether an initial payment will be made for the 1950 wheat crop which commences on August 1, 1950, in order that those who are going to seed may be given some guidance. I think that is most important.

While I am talking about the Canadian wheat board may I say that I think everybody in the house knows where I stand about it. I have always favoured the Canadian wheat board, and I am sure that with the feeling of this house in general it will be continued. I do not know what powers will be granted to it or anything of that nature, but, as I say, with the feeling of the house I am sure

the board will be continued. I hope that a policy in this regard will be announced as soon as possible.

Mr. Howe: It will be announced next week.

Mr. Ross (Souris): The initial price of wheat?

Mr. Howe: It will be announced on Wednesday.

Mr. Ross (Souris): I thank the minister because I know the western farmer will appreciate very much having that information. I am glad to have that assurance from the minister. There is another matter about which I am greatly disappointed. On many occasions the hon. member for Lake Centre (Mr. Diefenbaker) has asked if an interim payment is to be made on wheat and coarse grains, especially to those people in the drought areas of Saskatchewan, Alberta, and some in Manitoba. The minister has stated that taking everything into consideration it cannot be made until the year is finally ended. I am sorry that that is the decision because I know that the hon. member for Lake Centre especially has been interested in this. It would have been most helpful to many farmers in the drought areas.

There are some matters of a local nature I should like to deal with at this time as I may not be here when the minister's estimates are being considered. One has to do with the Saskatoon elevator. As reported on page 989 and 990 of *Hansard* of March 21, I asked a question as to what grains were stored in this elevator during 1949. According to the answer given it has cost somebody, if not the Canadian taxpayer, approximately $6.56½ per bushel on the average for that year. The monthly average of grain stored was under 12,000 bushels and the cost of administration was $78,787.92. The original cost of this government-owned elevator was $1,632,068.66, the elevator having a storage capacity of 5,500,000 bushels. I have had a question on the order paper since March 21 asking for a further break-down of the types of cereals, seeds or other commodities stored here; who were the owners and what amount of charges was assessed to the owners. As I have pointed out, it apparently cost $6.56½ per bushel to cover administration costs of this government-owned elevator according to what was stored there during the calendar year.

When we were dealing with the minister's supplementary estimates we passed an item of just under $4 million to cover the deficit of the Canadian wheat board on flax purchased in 1948. Despite the fact that the minister said at that time that they were not concerned about storage problems, that they were concerned only with sales, it would appear that they did have a storage problem on their hands. I would imagine that some of this may have been stored through 1949 from 1948. If those charges have been added somewhere else, they would have to be added to the figures I have used. If this flax had been stored in Saskatoon it would have been available to processing plants throughout western Canada. I hope the minister will explain this matter in more detail when the proper item is before us.

The Minister of Agriculture is reported as having stated in a speech at Saskatoon to the Saskatoon rural municipal convention that a campaign would be launched if necessary to prevent oleomargarine manufacturers producing to the extent that it would threaten the 400,000 Canadian dairy farmers. In my opinion the Department of Trade and Commerce are responsible to some extent for this situation through the importation of cheap oil. I believe that 95 per cent of these oils come from countries outside Canada, some with very low standards of living. In some of these countries the people do not have to wear clothing and their standard of living is vastly inferior to that of the people in Canada.

Only a few days ago we were told of cheap Japanese shirts coming into this country and very prompt action was taken to protect the manufacturers of shirts. I submit that this matter is equally serious. I am quite sure that this importation affects our dollar position with the United States and I should like to know from the Minister of Trade and Commerce what he and his department are going to do in connection with the campaign spoken of by the Minister of Agriculture as intending to protect the welfare of Canadian dairy farmers.

Many agricultural matters are closely related to trade and commerce and at times our farmers find it difficult to know what department is responsible. In connection with many matters of agricultural production the Department of Trade and Commerce is responsible. The Department of Agriculture has to do with the sales of agricultural commodities apart from wheat, while wheat and coarse grains are dealt with by the Department of Trade and Commerce. There is some overlapping between the two departments.

I hope that the minister will be able to give a lead to our dairy farmers because, as I pointed out when we were discussing other matters, many of these matters go hand in hand. West of the great lakes we are not in dairying to a great extent, but there are a number of dairy herds there. Notwithstanding the fact that the price of butter has been guaranteed, I know personally that many owners of herds are thinking seriously of disposing of their herds because they fear

that oleomargarine is going to put them out of business. It is the responsibility of this government to give these people a lead as to whether they should retain their herds and continue in dairy production or go out of business. I should like the Minister of Trade and Commerce to follow up what the Minister of Agriculture said on this matter because I am sure these people would appreciate a lead on this.

There are other matters that concern the manufacturers and processors of this country but there are colleagues of mine better able than I to deal with these. I am interested in the primary producers' point of view because, as I have often pointed out in this house, the basic industry of almost all nations, and certainly of Canada, is agriculture. The prosperity of agriculture has a definite influence on the prosperity of all Canadians, no matter what their vocation or calling may be. That is very important, and should not be overlooked. As I say, I know that others more conversant with the manufacturing and processing of these articles will have a great deal to say and many questions to ask the minister. I want to thank him for stating that he will announce these initial prices next Tuesday, to give a lead to our farmers.

Mr. Howe: I think I said Wednesday.

Mr. Ross (Souris): In any case it will be before we adjourn for the Easter recess?

Mr. Howe: That is right.

Mr. Ross (Souris): I appreciate that very much on behalf of the hundreds of thousands of producers who will be vitally interested. I hope the minister will explain, even if I am not here, the great loss caused to the public treasury by the operation of the government elevator at Saskatoon, as well as the storage charges for flax in respect to the carry-over from 1948 to 1949 at the head of the lakes.

Mr. Argue: I was glad to hear the Minister of Trade and Commerce state that on Wednesday of next week he will announce the initial prices for wheat, oats and barley for the coming year. I asked a question in that regard some time ago, and I am happy to learn that this announcement is to be made.

While I agree with everything the hon. member for Souris has said about the wheat board, I did not notice whether he said—he might have omitted it inadvertently—that he would support the wheat board as the sole marketing agency for wheat during the coming year. As far as I am concerned I support the idea of having the wheat board handle all the farmers' wheat, oats, barley and other grains.

[Mr. Ross (Souris).]

I hope the minister will find it possible to announce an initial price for wheat not less than the prevailing initial price of $1.75 per bushel. Further, I hope he will be able to announce a further five-year pool period, and that the present initial price will prevail throughout. Should the minister announce an initial price for wheat of not less than $1.75 per bushel, basis Fort William, as I hope he will, I suggest that the initial prices for oats and barley should be increased. If the initial price for wheat is $1.75, certainly the initial prices of 90 cents for barley and 61½ cents for oats are altogether too low. As a rough rule I believe barley should net the farmer two-thirds of the price he receives for wheat at his local elevator, and that the price of oats should be half the price of wheat. The minister will know the exact figures that would bring about that kind of relationship, but I would say that barley should be in the neighbourhood of $1.20 a bushel and oats about 90 cents, basis No. 1 feed Fort William.

I very much enjoyed listening to the minister this afternoon. He did not seem quite as optimistic as on other occasions in the past. During the first part of his speech in particular, he did give a more balanced picture of many of the factors entering into our export trade. I am glad he had the opportunity of making his trip to Europe; I was happy to hear his report this afternoon, and I am pleased to see him looking so hale and hearty after his journey. I hope Canada's trade in 1950 will be as good as it was in 1949, if not better. I do not want to make any dark predictions as to what will be our trade position. I believe the minister was wise in not attempting to emphasize the disturbing factors too much, because if he had done so he might have caused some panic in this country. At the same time, as far as Canada is concerned, I feel there is a growing pattern of trade that has some dangers in it. We are now, to an ever-increasing extent, tying both our export and import trade to that of the United States; and when we do that, prosperity or otherwise in Canada depends very largely upon conditions prevailing in the United States at any given time. This afternoon the minister stated that early last summer there was a recession in the United States. A recurrence of recession there could have very serious implications as far as Canada is concerned. Many of the things we produce have to compete with commodities produced in the United States; and while I would hope that trade throughout the world will be expanded, I would hope still more that we might see an expansion of trade with Europe, because I believe the policies being followed by many of those governments

would be more likely to bring continuing high levels of trade and prosperity to Canada than we would achieve by tying our trade as we are more and more to that of the United States.

The minister went on to state that he expected exports to the United Kingdom from Canada this year to be down. He also said that the shortage of dollars is causing many European countries to adopt restrictive trade practices. He further stated that perhaps Canada would be able to come through the present period of readjustment with only a few scars. I believe that statement is correct. I only hope that the sections of Canada that get the scars will not be those sections that have always gotten the scars in the past, when any readjustment was taking place. I refer in particular to the industry of agriculture. While our export trade with Europe may be good on balance, nevertheless certain sections of agriculture have suffered and are suffering because of a falling off in the European market. The other evening the Minister of Finance stated, as the Minister of Trade and Commerce said today, that while our markets in Europe for grain have continued at a high level, there has been a drop in the markets for animal products, timber and certain other commodities.

In the world as we have it today I do not believe we should have to worry about agricultural surpluses. I noticed what the minister said in reference to European countries whose populations were increasing, and his statement that they would have a continuing and growing problem of feeding those populations. Then he went on to say that this presented an immigration problem to Canada. I agree with that statement; and I believe that a country as wealthy as Canada should accept its responsibilities in the world. But I do not believe that immigration to Canada by people from European countries is necessarily the whole or the main solution. When we have certain agricultural surpluses in Canada, and when the United States has huge agricultural surpluses, those surpluses should be made available to the European countries. That would remove some of the pressure against European food resources.

The minister quoted figures to show that Canada's trade position with the United Kingdom over the whole of 1949 was better to the extent of an increase of $20 million in exports. He also made note of the fact that Canadian exports to European countries declined by about $90 million. I believe the Minister of Trade and Commerce took a more realistic attitude this afternoon than that taken by the Minister of Finance in his budget speech last fall. In referring to devaluation during that speech the Minister of Finance said at page 974 of *Hansard* of October 20, 1949:

> It was agreed that the solution must be sought primarily in a rapid and substantial increase in dollar earnings through an expansion of trade.

The simple facts presented by the minister this afternoon show that, in the last few months since devaluation, there has been no increase in Canadian dollars earned by European countries. As a matter of fact, if I may quote what I said in the budget debate last fall, I feel I came a lot closer than the Minister of Finance to hitting the mark. My remarks are found on page 1335 of *Hansard* of November 1, 1949:

> I contend that devaluation, instead of bringing about an expansion of trade, will in fact bring about a contraction in trade. A 30 per cent devaluation of the pound sterling in relation to United States dollars means an increased price of 44 per cent to the British consumer of goods bought in the United States. That is certainly going to mean a substantial reduction of British purchases of United States goods. The same thing will be true to a slightly lesser extent in British purchases of Canadian goods.
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> Then with respect to the British attempt to increase exports to this continent, Great Britain following devaluation can reduce by 30 per cent the price of her exports to the United States. But should Great Britain, for example, reduce the export price of British automobiles to the United States by 30 per cent, then she must increase the quantity exported to the United States by 43 per cent in order to obtain the same number of dollars that she has been receiving before devaluation. It is certainly doubtful to what extent Great Britain can increase her earnings of United States and Canadian dollars by reduction of price, since following reduction in price she must increase the quantity sold to earn even the same number of dollars as she earned heretofore.
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> Rather, I believe the chief result of devaluation will be a further loss of the British market.

In the budget address the other night, the Minister of Finance told us that in the last four months there had been a decline in our exports to the United Kingdom by an amount of $20 million, and our imports from the United Kingdom were down by $3 million. Our overseas exports as a whole, however, were down by more than $100 million in the first four months; and our overseas imports by $92 million. In my opinion devaluation, instead of bringing about a better balance of trade, made it worse and has substantially reduced our exports to European markets. It has not increased the amount of dollars earned by European countries. I trust the government will take all necessary steps to increase our imports from European countries. I hope our exports to the United Kingdom will not fall during the coming year, as was forecast by the Minister of Trade and Commerce. Our exports to the United Kingdom and other European countries should be maintained, and if we want them maintained

then we need to increase our purchases of British goods. I hope the government will place greater emphasis on increasing our imports of British goods, rather than allowing the adjustment to come about through a reduction of our exports.

This afternoon the minister said there would be a battle for agricultural markets in the future. I believe that statement is correct. Our farmers are willing to help in that battle for the British market and other European markets. Our farmers purchased $255 million worth of farm machinery this past year, and they would be most willing to buy increased quantities of British machinery if by so doing they were guaranteed a market in Britain for bacon, eggs, cheese and other agricultural commodities. While the government has so far turned its back on the idea of a bilateral trade agreement, nevertheless I feel that such a trade agreement, by means of which farm machinery could be exchanged for farm products at present in surplus, would receive the wholehearted support of organized agriculture.

The Minister of Trade and Commerce told us that the Marshall plan was not as large an item now in support of trade as it was in the past, but I suggest that the importance of Marshall plan aid should not be minimized. It could be important in getting a market for Canadian agricultural products, but if used the wrong way it could be a factor in taking from us the markets that we now have. It has been suggested by the foreign affairs committee of the United States house of representatives that of the $2,750 million to be voted this year for Marshall aid, $1 billion should be earmarked for the purchase of United States agricultural surpluses. If such a move were made, then Marshall plan dollars would make our market problem much greater than it is today. In order to try to insulate us from this sort of policy that might arise from time to time, and over which we have no control, I feel that the government, through an export-import board, should be increasing its role in international trade. Then, if the United States decided to do something like that, we would have a much safer hold on our markets than we have at present.

I noticed the Minister of Trade and Commerce said that the prospects for marketing wheat and other grains in Europe were good for this year. I hope he is right. I should like to quote to him, however, the first paragraph of the Canadian wheat board report for the year ending July 31, 1949. It says:

> Increased production of wheat in Europe, ample wheat supplies available in exporting countries, the intensity of United States competition, the immediate effects of United States aid to various countries in western Europe and increasing difficulties in financing international trade, were important factors in the 1948-49 wheat position.

Along with that, I should like to point out to the minister that today the United States has a surplus of more than 475 million bushels of wheat. Then, I might ask him why the Minister of Agriculture suggested that western farmers reduce their wheat acreage by 3 million acres, if the markets for wheat and other grains are available, while the markets for secondary agricultural products are falling? Either the advice of the Minister of Agriculture was not sound or else the statement made by the Minister of Trade and Commerce today, that our wheat market is assured, does not jibe with the actual prospects. I do not think there can be a reconciliation between the statement made by the Minister of Agriculture that wheat acreage should be reduced and the statement made by the Minister of Trade and Commerce that wheat and grain markets are secure.

We in this group supported the British wheat agreement. We also supported the international wheat agreement and we trust that it will work throughout the whole period which is for the next three years. We know that under the British wheat agreement we obtained a large share of the British market. But when we did that, we sacrificed some of the markets we had once had in countries on the European continent. For example, France in 1936 imported from Canada 6,250,000 bushels of wheat and last year did not import any Canadian wheat. Belgium, in 1936, imported 16 million bushels of wheat from Canada and last year imported just over 5 million bushels. Denmark, in 1936, imported from Canada almost 5 million bushels of wheat and last year imported only 4,567 bushels from Canada. The Netherlands, in 1936, imported over 7 million bushels from Canada and last year imported less than half a million bushels. We are going to have to maintain a market in Britain for the present quantity of wheat that is going to Britain, namely, 140 million bushels a year; or, if we are relegated in the British market to our 1930 position, then it is imperative that action be taken towards securing for Canada a better position in the European markets. The fact is that today Canada is supplying little of the wheat going to those traditional markets.

When I began my remarks I said that I hoped the Minister of Trade and Commerce would say that oats, barley and wheat at least, and preferably all grains, would be handled solely by the wheat board. As I have said before, the wheat pool organizations and the farm organizations in western Canada are not satisfied with the government's oats and barley

policy in its entirety. They are glad that the wheat board accepts delivery of all oats and barley produced in western Canada but, as was shown by the Saskatchewan wheat pool in convention last fall, they are opposed to the speculative market being continued in the disposition of oats and barley.

I noticed that the Minister of Trade and Commerce the other day, in announcing that there would be no wheat board payment this year—that is, before the end of the wheat pool period—said that one of the contributing factors was the stand taken by the opposition. I believe that is dodging the real reason why a payment is not being made. In my opinion, the real reason why a payment is not being made is that the wheat board has not large sums of money on hand with which to make a payment. A further factor is that farmers object strenuously to the wheat board's going to the banks and paying on money borrowed from the banks an interest rate five times as high as the rate earned by the wheat board on money it invests in Dominion of Canada treasury bills.

What I objected to in a previous speech was the fact that, before the 1948 wheat payment was made, the Minister of Agriculture and the Minister of Trade and Commerce said that "the payment is being made out of money now available in the wheat board fund." The Minister of Agriculture went further and said that the farmers would not want the government to borrow money in order to make a payment over and above the 20 cents a bushel. Then, during the same debate, the Minister of Agriculture made the statement that 20 cents a bushel would be provided for a further year. I should like to quote what the Minister of Agriculture said, as reported at page 1720 of *Hansard* of February 27, 1948:

> Under the plan of five-year payments that was brought into effect in 1945 the farmer knows that if there is drought he will have more money coming to him at an increase of twenty cents in each year, no matter when that drought comes.

I say that was a clear indication by the Minister of Agriculture that there would be a further large payment made this year and this spring. There has been no worse crop failure situation in western Canada for a long time than that which prevailed during last fall. The farmers need an additional payment now much more than they needed it at certain times in the past. I might say that I have had a great deal of correspondence from farmers as to the wheat payment, or the fact that there will be no wheat payment, and the method by which the government went about making that payment. In that respect I should like to quote a letter I received from Mr. Ed. McBride, secretary of the wheat pool committee at Viceroy, Saskatchewan. In writing to me he said:

> The farmers at Viceroy are very much disturbed by the rumours from Ottawa regarding our final payment from the wheat board.
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> When the 20-cent a bushel payment was made a year ago, we didn't hear anything of a bank loan being made to help make it. In fact, we were told there was still a large surplus left after the payment was made.
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> During last summer and fall different experts estimated the probable amount of the final wheat board payment to farmers at from 17½ cents to as high as 26 cents a bushel. Now they are saying we will only get a few cents a bushel.

I believe the government should be strongly criticized for having raided the wheat board fund in order to make a 20-cent additional payment just before an election, without telling the farmers that by doing so the wheat board would have to go substantially into debt. I would ask the minister, as I have already done, to continue the wheat price at not less than $1.75 per bushel and to increase barley prices to $1.20 per bushel and oats to 90 cents per bushel. I trust that the minister's optimistic forecasts will be proven right. I hope we may obtain markets during the coming year at least as great as those we obtained during the past year; but I hope that the Minister of Trade and Commerce and the government will adopt policies to increase our imports from European countries and that any adjustment that is finally necessary in our trading pattern will be brought about in such a way as not to bring scars to the agricultural industry.

Mr. Diefenbaker: I do not think that during this session this house has heard a more important announcement than that made today by the Minister of Trade and Commerce. After all, the whole prosperity of this country depends on whether or not our trade will be preserved during the months and years that lie ahead. The striking thing is that, while the minister spoke on so important a subject, few, if any, of his colleagues in the cabinet found it of sufficient importance to be in the house. I was particularly surprised at the fact, for which no doubt there is a very good reason, that the Minister of Agriculture was not present on this occasion, particularly when the discussion that will take place will necessarily be concerned to a considerable extent with the marketing of agricultural products. Wheat and its marketing are of very great importance not only to the farmers of western Canada but also to our economy as a whole.

First, I want to refer to a matter about which I asked some questions this afternoon. The hon. member for Assiniboia mentioned

the situation in the prairie provinces. According to a report of the Department of Agriculture the drought situation in 1949 was the most serious in a period of eleven years of western Canada's history. If there is one thing more than another that has been emphasized by the western farmer in recent months it has been the need of having an interim payment made of the moneys in the hands of the wheat pool operated by the wheat board of this country.

It has been alleged that some members of the opposition criticized the payment last spring of 20 cents a bushel. I heard no such criticism from the official opposition, but the fact is that the payment was timed to be made in advance of the election. When it was made was there no suggestion that the money was being dispersed in a considerable measure from moneys borrowed by the wheat board?

When the Minister of Agriculture spoke in Moose Jaw in April, 1949, he advised the farmers that there was an additional amount to their credit of from 12 cents to 15 cents a bushel at that time. That statement could scarcely have been correct, for now we find that in order to make the payment the wheat board had to borrow moneys and did not have to the credit of the farmer at that time 33 cents to 35 cents, or even 20 cents, the amount advanced.

Mr. Howe: Is there not a difference between cash in the till and the actual credit position of the pool?

Mr. Diefenbaker: The statement—

Mr. Howe: There is the working capital item. The wheat board has to borrow its working capital.

Mr. Diefenbaker: That is not the position. It was said that the money was available in the pool, and not that the pool had the credit and would be able to secure that much money.

Mr. Howe: Not the cash.

Mr. Diefenbaker: At that time the minister said that the wheat board had on hand in addition to the 20-cent advance from 12 cents to 15 cents a bushel to the credit of the farmer, which is a long way from saying that it would have to borrow in order to meet the situation.

Mr. Howe: He did not say that we had it in cash.

Mr. Diefenbaker: No, he did not say, "we have it in cash". He said, "we have it available". Certainly when it is in credit it is not available, according to the interpretation placed on those words by the farmers in western Canada.

[Mr. Diefenbaker.]

Mr. Howe: If the pool had stopped doing business that day it would have been available.

Mr. Diefenbaker: Mr. Chairman, the farmer was told it was there. The farmer was not told that the 20 cents was borrowed, or any part of it, in order to make the payment in advance of an election.

Mr. Howe: It was not.

Mr. Diefenbaker: It was borrowed—

Mr. Wright: The consolidated revenue fund is available at that rate.

Mr. Diefenbaker: What the farmers cannot understand is why that money had to be borrowed to make the payment for the amount the farmer will ultimately secure will be reduced by the very large amount paid out in interest.

Mr. Wright: To help in the election.

Mr. Diefenbaker: Well, Mr. Chairman, the fact that it was paid out just in advance of the election was, as you and I know, merely coincidental.

Mr. Knowles: The chairman may know it, but you know better.

Mr. Diefenbaker: I am making another appeal to the minister in connection with an interim payment. I know he has made a decision on the matter and the wheat board have; but if he could see the letters hon. members from western Canada receive regarding this matter he would reconsider it in respect of the areas that were stricken with drought last year. The areas are readily identifiable. If payment could be made in those areas in advance of seeding operations it would indeed be appreciated by tens of thousands of farmers who find themselves in a position where they are unable to get credit. I again make that appeal, as I have over the past several weeks, that the minister reconsider it. I could give the minister, if he would care to read them, at least a hundred letters which have come in within the last week from farmers, particularly of central and southern Saskatchewan, who because of drought conditions last year doubt their ability to purchase their requirements and seed their land again in the next three or four weeks in the hope and expectation of a crop. I do not make this request as a general appeal for all of the western provinces, but for those areas where there was an almost complete failure in 1949.

There is one other matter that I should like to bring to the minister's attention. I asked a question today in connection with feed oats. After I had asked the question I received a letter from a dairy farmer who

points out that on March 27 he endeavoured to buy No. 1 feed oats, and he had to pay 93 cents a bushel for them.

Mr. Howe: From what point was this?

Mr. Diefenbaker: At Qu'Appelle, near Regina. He said, "the price has been fixed by the wheat board." He points out that the farmer received 50 cents a bushel, and that there is a further 10 cents a bushel coming from the wheat board, according to the figures given to the house some weeks ago by the minister. What the farmers out there want to know is this. What about that extra amount of 33 cents a bushel? Who receives that? They also ask the federal government to protect them against having to pay a price per bushel 33 cents more than the farmer will receive from the wheat board for No. 1 feed oats that he has sold to them.

Mr. Howe: Perhaps my hon. friend would not mind my clearing up that point. It is quite legal for a farmer at Qu'Appelle to buy from any other farmer at Qu'Appelle. The price of oats at Qu'Appelle is the Fort William price less freight, and the Fort William price is—

Mr. Diefenbaker: Ninety cents.

Mr. Howe: Not for oats; it is 61½ cents.

Mr. Diefenbaker: That is right.

Mr. Howe: It is 61½ cents, less freight, which will bring it to about 50 cents at Qu'Appelle. Unless he had the oats railed back from Fort William I cannot imagine how he got the price up to 90 cents. It does not make sense.

Mr. Diefenbaker: That is exactly it. I cannot understand it, and neither can the minister. After I asked the question before the orders of the day this afternoon I received a letter from another farmer pointing out the unfairness to the dairy farmers in Saskatchewan in having to pay a price of 93 cents for No. 1 feed oats.

Mr. Howe: Perhaps my hon. friend can clear it up by writing back and asking who the vendor was.

Mr. Diefenbaker: I can give the name of the vendor, but I shall not do so in the committee. It is one of the elevator companies.

Mr. Howe: I cannot believe an elevator company at that point—

Mr. Diefenbaker: It is a matter which the minister should look into. I have given the facts, and I can give him the letter. I say it is unjust that a price such as that should be charged for feed oats to western farmers.

Mr. Wright: The western farmer is charged the Winnipeg price—not the floor price of the wheat board. He is charged the Winnipeg price plus whatever handling charges there are. Oats are selling away over the floor. The Winnipeg price today is about 90 cents, and the farmer has to pay 90 cents plus elevator charges.

Mr. Diefenbaker: And that seems most unfair.

Mr. Howe: He could buy from any other farmer. The farmer in that area would sell to the elevator company or to the dairy at the same price.

Mr. Diefenbaker: That is what the farmer cannot do—buy from some other farmer—because it is a drought area. And it is because of that fact that I ask the minister to look into the matter. It is unfair that a farmer in a drought area should be required to pay so high a price in order to secure the necessary quantity of feed oats.

Today the minister drew an optimistic trade picture. By a movement of his head he now suggests that he did not. Well, I would not say it was a pessimistic picture; I thought it was optimistic, even for the minister.

So far as agriculture is concerned, I ask the minister whether the government has considered placing the marketing of all farm products under the Department of Trade and Commerce. It used to be there. It was until the present Minister of Agriculture became minister in 1936, as I recall. Now we have two bodies—the Department of Trade and Commerce looking for markets for wheat, and the Department of Agriculture looking for markets for other agricultural products.

Is there any reason why we should have two different departments of government looking for markets for agricultural products? Would it not be reasonable to have the Department of Agriculture look after production, the improvement of production, and all other matters relative to agriculture, and have marketing under one department, the Department of Trade and Commerce?

I now turn to our trade with Great Britain. As I listened to the minister I was impressed by the fact that he did not deal with what apparently is taking place, a world on a bilateral agreement spree, with multilateral trade receiving very little consideration. The result of bilateral agreements, and particularly those entered into by Great Britain, has been to threaten and diminish our trade.

When this matter was discussed last April the attitude then taken by the minister was that there were no danger signals to our trade and that our markets in Britain would not become less. He left about the middle of April, after making that statement, and went

over to Great Britain. Yet upon arrival there he stated that one of his purposes in being there was to look into the trade situation.

I have taken the time to peruse some of the bilateral agreements Britain has made in recent months, bilateral agreements in which she is purchasing in continental countries agricultural and other products the market for which one would expect Canada to have. The minister himself, speaking on the radio network, in "The Nation's Business" series on November 20, 1947, used these words:

> Britain has been the traditional market for our wheat and certain other food products, and we must not let down our best customer.

She has for years been our best customer. I shall now ask one or two questions with a view to ascertaining whether anything can be done, even now, to bring Britain to a realization of the fact that she has been our natural market, and that we desire to co-operate with her. We cannot expect to export unless we are prepared to purchase in return.

I do not think the customs branch of the Department of National Revenue is doing as much as it should to co-operate in allowing Canadians to import into Canada the things Britain produces and which we in this country do not produce in sufficient supply. I have an example of this in mind and I shall give the minister the name of the company privately although for obvious reasons I do not wish to give it in committee. It is an example which, to my way of thinking, indicates that there is not that degree of co-operation that there should be between the Department of Trade and Commerce and the Department of National Revenue.

I suggest that everything should be done to assure Britain that we are prepared to purchase from her some of the things which are not readily available in our own country. May I digress here to refer to the trend to bilateral trading by Great Britain.

On December 15 Britain signed a bilateral trade agreement with Sweden involving about $400 million in trade. Under that agreement Sweden supplied Britain with timber, newsprint, wood, pulp, wooden articles, iron ore and the like, in return for machinery, textiles, vehicles and increased quantities of coal, coke, steel and oil.

A few days later the effect upon Canada was shown when a shipment of 100,000 tons of newsprint to Britain in 1950 was cancelled. Canada is in short supply of heavy machinery and capital equipment. What is being done to channel Britain's heavy machinery into Canada? On December 17 Britain entered into a four-year agreement with Holland for up to 152 million pounds of bacon per year, and the result is a greatly expanded hog industry in Holland, based upon the prospects of a long-term market in the United Kingdom.

[Mr. Diefenbaker.]

On December 23 the United Kingdom signed a five-year meat contract at increased prices with Uruguay involving up to 100,000 tons annually, including pork and offals formerly purchased from Canada.

On December 27 Britain signed a five-year trade agreement with Yugoslavia of an estimated two-way trade value of $682 million, Britain to receive timber, lead, copper, corn and the like, in return for exports of wool, cotton yarns, chemicals, and a wide variety of heavy machinery and other capital equipment.

And so I could go on. Our apple market is gone. The minister spoke rather disparagingly of it this afternoon; but it is gone, and Italy now supplies the United Kingdom. Bilateralism is increasing. It denies the realization of the many hopeful speeches that were made in 1940, 1945 and 1946 of a world freed of trade barriers.

I shall be asked where the Department of National Revenue comes into this. A large Canadian company required replacements for certain heavy machinery in the form of special steel forgings that were made in the United States, in the Pittsburgh area, and in Coventry, England. Those were the only two places that they were available as far as I know. The company officers decided to purchase these parts in Great Britain in order to provide that country with additional Canadian dollars, but before making the switch they asked for a ruling by the Department of National Revenue as to whether there would be any duty on imports from the United Kingdom. They wanted to know if these items would be free when brought in from England as they had been when bought in the United States. After some time they received the reply that a thirty-five per cent duty would now be applied on the items for all further purchases, whether purchased in the United States or in Great Britain.

That is not the kind of co-operation between departments that will build up a two-way trade between Canada and Great Britain. I suggest that something be done to remove such difficulties, which are tantamount to obstructions. The Saskatoon *Star-Phoenix* of February 1, 1950, carried another example under the heading: "Importer believes customs red tape worse barrier to imports than duty." The article reads:

> Red tape in customs administration was a worse barrier to imports from other countries than the actual duty paid on imported goods, a local importer said this morning.

He refers to the difficulty of disentangling the multiplicity of rulings made.

If we are going to encourage trade between Great Britain and Canada, if Canada is to be assured agricultural markets in the United Kingdom, we should do everything we can to encourage purchases of heavy machinery and the like in Great Britain. It is not a simple problem, and the minister, with all his experience, will certainly be the first to agree. I do feel that if the demoralizing influence of bilateral trade is continued and we build up in this world three blocs and two ideologies, the hope of peace dreamed of in San Francisco in 1945 will indeed evaporate.

I repeat there should be more co-operation between the minister's department and the Department of National Revenue to encourage the purchase of British goods in Canada. A few months ago our Canadian National Railways were unable to operate because of a shortage of coal. I am not saying that British coal could be used for the operation of our locomotives, but it could have taken the place of coal that was used for that purpose.

Mr. Howe: We buy every pound of coal that we can get in England.

Mr. Diefenbaker: That is not what was said by a British member recently who stated that there was no reason why Great Britain could not supply us with a million tons a year.

Mr. Howe: For three years we have been begging for coal from Britain.

Mr. Diefenbaker: I am just quoting what a Labour member said in the British House of Commons when dealing with this question.

Mr. Howe: Perhaps he is as careless with his facts as our Labour members.

Mr. Diefenbaker: That is a private feud and I am not going to get into it. As one who is looking at this problem in the general way that a person of my training would, I would ask the minister what has been done about canvassing the manufacturers in Canada in order to find out what they can buy in Great Britain.

Mr. Howe: We have been over it with a fine-tooth comb.

Mr. Diefenbaker: We have not been told about it then. I should like the minister to tell the house and the country whether our import defence requirements are being purchased in the United Kingdom to the greatest extent possible. I have read a number of articles published in the United States, one recently in an outstanding journal, to the effect that Canada is not purchasing her defence requirements in the United Kingdom to the extent she should.

We sent delegations to Colombo. According to a recent issue of the New York *Times* there is a market in India and Indonesia that can be developed. Will the minister say what is being done in that regard? I have read in the British *Hansard* that the British board of trade is doing everything it can to build up trade there, not only for the present but for the future as well. The delegations went over there and they returned without letting us know what had been done about exploring the possibilities of trade in India and Indonesia. I would ask, too, to what degree have the recommendations and suggestions as to trade which were made recently by the Minister of Fisheries been considered and accepted by the cabinet?

Item stands.

Progress reported.

At six o'clock the Speaker resumed the chair and the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

ALBERTA NATURAL GAS COMPANY

The house resumed, from Tuesday, March 21, consideration of the motion of Mr. Maybank for the second reading of Bill No. 7, respecting Alberta Natural Gas Company, and the motion of Mr. MacDougall: "That this question be now put."

Mr. E. D. Fulton (Kamloops): Mr. Speaker, in concluding my remarks on this bill tonight I should like to re-emphasize that there has been on my part—and having followed this debate closely I think I can say with accuracy that there has been on the part of others who have spoken in opposition to this and the other bill—no suggestion that we are opposed to the eventual export of gas and oil to the United States. All we have asked for, and what we are still asking for, is that before our gas and oil goes to the United States market the line transporting it should pass through Canadian territory and serve Canadian industries and cities along its maximum length before crossing the border into the United States. Indeed, we have been careful to make it clear that there is no suggestion that we should attempt to curtail the export of these resources to the United States after Canadian needs have been met.

I refer to this because I noticed a report in the Vancouver *Daily Province* of Saturday, March 25, appearing at page 3, commenting on some remarks made by myself and other hon. members during this debate. That report contains this passage:

Mr. Fulton said he would not oppose the bills if the government saw fit to amend the original Pipe

Lines Act in such a way that Canadian oil could not be exported into the U.S.

He had received representations from various segments of industry in his constituency, including chambers of commerce, appealing to him to see that the oil and gas did not leave this country.

I said no such thing on the occasion referred to. I made no suggestion that the main act should be amended in the way suggested in the newspaper report. What I said, and what I repeat, was that as far as I was concerned if the government would see fit to amend the main pipe-line act so that any company seeking incorporation to build an oil or gas pipe line must build it for its maximum length through Canada first, before it crossed the border, I would not oppose the incorporation of any company that wished to obtain a charter to build a line under those terms. The position has been made so clear by those of us who have spoken in opposition to these two bills—that what we are seeking to do is serve Canada first but not serve Canada only, and not deny the export of gas to the United States—that I cannot understand how any report in the press could become so confused. As a matter of fact what I said on the occasion referred to was that if the government would amend the original act in the way I suggested, quoting *Hansard* at page 1109:

—we would be content to grant incorporation to as many companies as wish to build the line through Canada first.

That cannot be taken in any way as a suggestion that we should deny the ultimate export of these resources to the United States, after our own needs have been met.

In conclusion I want to refer to a little history which I think will be of interest to the house, and which I know will be of interest to my colleagues from British Columbia, though in this case they may not agree with the opinions expressed. In the course of my reading during this debate I went back to the debates at the time of the incorporation and construction of the Canadian Pacific railway, in order to see what was said then as to the need for building this great line through Canada to serve Canada first and build up a nation north of the 49th parallel. I found this very interesting remark in a speech delivered by Sir Charles Tupper in 1882. I am going to read it so that hon. members may see why I feel it to be so important that this pipe line go through our own territory. As I say, other hon. members may not altogether agree with the sentiments expressed; in fact I think Sir Charles was a little off in some of his geography, though not in his sentiments. He was off in his geography, of course, because he did not have the advantage which is available now to all hon. members of visiting our province and, in particular, my district. Referring to the proposal that the Canadian Pacific railway should go through the Kicking Horse pass and down through what we call the interior of British Columbia, he said:

This is a matter which would be of great importance not only to the line but to the country, because it would penetrate the best district in British Columbia, that is the Kamloops district—

There is an unsolicited testimonial that was delivered in 1882. With the support of so great an authority as Sir Charles Tupper, one of the founders of confederation, I think hon. members will see why I am so anxious, together with all my colleagues from British Columbia on this side of the house and one on the other side, that this line should be built through British Columbia, through Canada first.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I shall not delay hon. members long, but I have something to say that has not been said as yet. The other day I heard the leader of the opposition (Mr. Drew) made a good speech; that is, it was good for the opposition. He was trying to convince the Minister of National Defence (Mr. Claxton) that it would be a good thing for the country if he were to appoint a committee of this house. Well, Mr. Speaker, if it is a good thing for the national defence of this country to have a committee, it is a good thing for the development of our natural resources to have a committee. We have a committee and, Mr. Speaker, I think it is an intelligent committee, worthy of being trusted. Any man who stands up in this house and says that we should not trust that committee is asking us not to trust him. Some of these men who do not want the resources of Alberta to be developed are saying, "Do not trust me because I shall sell you down the river."

When I look over this committee, I find the name of the member for Vancouver-Quadra (Mr. Green). I think he is worthy of being trusted. I trust him with the development of the natural resources of this country. Then, there is the member for York South (Mr. Noseworthy); a high-school teacher, and an intelligent man. Yet he is asking this house not to trust the committee of which he is a member. The member for Queens (Mr. McLure) is another member of the committee. I think he is an intelligent man, and worthy of being trusted; a good committee man. I believe we can trust this committee to do this work. If there was ever a time in the history of this house when I believe the government would be justified in forcing closure, it is now.

The people in the country are asking this question. They are asking what is behind

this opposition to the pipe line. I know there is gas behind it, and there is oil; and so far as I can see the gas will not be sold without the oil, because the province of Alberta is wise enough, according to the member for Calgary West (Mr. Smith), not to remove the pressure of the gas and thus lose the oil. As I have said, this committee should be trusted, but I expect that even after I have spoken there will be a lot of people who will say we should develop the natural resources of this country for Canada; we should save them for future generations. To them I would say, why ship wheat to England? Why not turn the wheat into flour in Canada, and ship the flour?

I am convinced, Mr. Speaker, that the best thing to do is to develop the natural resources of our country. We should have the gas and oil from our country meet the gas and oil from the south, so that the people who are asking for this gas and oil can have it. I say, send this bill along; develop the natural resources of our country, and cure any unemployment we have.

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, I have listened with interest to the hon. member for Fort William (Mr. McIvor). At times I feel he is almost my representative, because I am responsible for a large industry in his riding. I have been surprised that he has not been struggling to give us Alberta oil in place of United States coal to help support that industry. That is a matter of his judgment, however, or lack of judgment; I know he is sincere in his conviction, so I do not want to be too critical of him.

While I represent a district somewhat removed from the particular district in which the most direct benefits will accrue from the utilization of that great resource in Alberta, I feel that it is rather encouraging to find so many people in this house interested in this oil in Alberta. No similar number of people in the world enjoy the bountiful resources that we do in Canada. I do feel that there is probably only one real issue at stake. I have listened to those who are familiar with the problem this issue presents, and I find there is only one real contention. It seems to be whether this pipe line is going to be built through Canada first, or is going through the United States first. There is no use in talking about technicalities, or this commission or that commission, or what the provinces have to do. This line can be built through Canada first if this house so wishes.

This is a private bill, but it is rather interesting to note the keen concern and support the government has given it. I know there are members of the government, who are absent tonight, who have not been very active in the debate. I know there is one hon. member from British Columbia who has taken an active part in the debate. I feel that the members from the other provinces are here to form a national representation. After all, this is the forum that represents this great nation. I feel rather keenly that we are dealing with an issue that can mean a great deal in the years that lie ahead. The trend of our development in this country, Mr. Speaker, is interlocked with the great possibilities that surround this issue. While I am still not perhaps as old as the oldest member in the house, in the last quarter century I have seen great changes in the trend of the development of this young nation. I can recall when any man aspiring to parliament would speak of agriculture as the basic industry of Canada; the backbone of the country.

I well recall saying, on one occasion back in 1927, that at some time we might find it difficult to sell our wheat. Some of the members from western Canada laughed at me and said, "You do not know much about western Canada's ability to produce; you will never see wheat below a dollar a bushel. We will always be an agricultural country. We control the bread basket of the world." Since that time, Mr. Speaker, as you have observed, that trend has changed far more rapidly than our fathers ever dreamed it would change. Today we have a country, perhaps showing the effects of two great wars, that has been industrialized until now rural activities make up only about 30 per cent of our national enterprise. Canada has rapidly become an industrial country. Canada is a cold country, Mr. Speaker. Its climate is different from that of the southern states, and many other places. More than anything else, Canada needs food and clothing. If this country is to have a well-rounded economy, it must encourage the production of those things essential to a high standard of living. As every hon. member knows, there is nothing much more important to the women and children of poor families across this dominion than warm clothing and a warm house. Fuel, in other words, is a problem in many districts. We in this country have for years depended on many million dollars' worth of United States coal. We have been importing large amounts of it. We know that today there is no fuel on the North American continent that can compete with natural gas. That fact has been proven across the line. We know that with high wages, with coal being shipped for long distances, and with freight rates increasing, the price of coal is ever on the advance.

We know that if we are going to develop this country in competition with that great republic to the south of us, we must do as it has done. While we will listen to the Minister

of Trade and Commerce (Mr. Howe) and other people make statements about the great development or the great markets we have in the United States, with which we all agree, nevertheless, we are similar to the United States in many respects. We produce similar agricultural products and similar industrial products and we are more or less in competition with them.

You will observe, Mr. Speaker, that in the province of Ontario where we have had the greatest industrial development has been where we have had the power, where we have had hydroelectric developments and where we have had coal, just as old England and other countries overseas in the last century developed great industrial progress and led the world in industry because they had the horsepower and the fuel. They had the steam-generating plants and what drove them and made the country great. Therefore not only is this great potential resource important but it is vital to this young dominion for household needs, for providing the horsepower requirements of the industrial plants, and for commerce in general. Remember, Mr. Speaker, that coal to heat a house costs twice as much money as natural gas. We might look across the border to the south of us and take a lesson from there, because no matter how much experience you may have had or how you have watched this country grow, if you want to foresee the future of Canada you can see it better in the light of what has developed just across the border.

It is said that the nineteenth century belonged to the United States. That great leader of the Liberal party, Sir Wilfrid Laurier—I think he was the greatest they have ever had; I have not seen any since that ever came up to him—said that the nineteenth century was the United States' but the twentieth century would be Canada's. There is no one worthy of being in this house who cannot visualize that greatness in the future and who cannot realize what is happening.

I can well remember that, when I first entered the House of Commons, our annual budgets were under $400 million. Now they are $2,400 million. Our national income now is $16 billion; the difference is greater perhaps in high inflationary dollars than in physical volume, but nevertheless it shows the trend of the times.

We have a small population but, in fairness, it must be admitted that we are making great progress with that small population. While the United States of America has since before the war had an increase in population which is more than our total population, nevertheless, percentagewise, we are keeping reasonable pace with them. Because of our great resources, the power and the potential reserves such as Alberta gas and oil, even the weaknesses of the present government cannot deter great progress in this country. We have a great country, and a virile and hardy people; and I am satisfied that this country will grow, as has the United States of America, even though parts of it are a little bit colder than parts of the United States.

The United States' experience has shown that the most rapid-growing and spectacular industry on the North American continent at the present time, is the gas and oil industry. We have other great industries but the one that has been most dramatic, the most rapid in development, and the one that is now most spectacular in its relationship to our North American economy is the gas and oil industry. I cite here North American development because, after all, we are very similar. We are closely allied in relationship to the United States of America. We live beside the United States. Although there is that invisible line that separates us, we are tied together in customs, in trade and in national defence; we are tide together in outlook and in aspirations. I can see that, in the future, that close relationship with that great republic and with the British commonwealth of nations offers the greatest hope for security and peace. By the very fact that the people in the United States are annually investing about $1 billion in their gas and oil development they have shown that they realize what it means. The volume of gas and oil transported by the United States pipe lines from the far south into the more thickly populated areas has increased; from 1940 to 1948 it doubled. There is a $3 billion plan now under way in the next five years, and it is estimated that in the next three years it will be double that. There is a country that has great experience in development; it is the greatest industrial country in the world; and it developed with resources and people similar to those we have in this country.

Mr. Smith (Calgary West): Gas and oil.

Mr. Rowe: Gas and oil. At the present time a 2,000-mile gas line is being built from Texas into the New York section. The domestic sales of gas to householders in the United States now amount to a billion dollars a year. Householders to the number of 15 million are served by gas. Gas is being used even in those areas close beside great potential deposits of coal that we are importing here into Canada. Much of what is involved in this issue is national energy and power; it is not only a question of fuel but of power for industry. Today the United States of

America, with its gas lines, provides to householders as well as to industry, through gas pipe lines, almost three times as much power as it does through all its vast water powers. Realizing what our great hydro developments have meant to the old province of Ontario, I can visualize in years to come what the gas pipe lines and the oil development of the western provinces of Canada may mean to them in the next twenty-five years.

We are challenged here, Mr. Speaker, as representatives of this dominion, to pause and realize whether we should divert these lines and send this great potential natural power over to the United States before it serves our Canadian people. I know that someone may say that is not exactly the issue, that they can build the line wherever they like, and that all we need to settle this whole argument is for those of the government who seem to be so interested in this private bill to tell us that this line is going to be built in Canada first, to serve Canadians first and then serve the people of the United States later, just as the United States would do if the positions were reversed. Forty-nine per cent or almost half of all the national energy and power for the industries of that vast country to the south of us is obtained from oil and gas and only four per cent is hydroelectric power or water power.

The question therefore has been considered to be an issue in that country. The fact that in the last twelve years twelve times as much money has been spent in the development of these transcontinental gas lines in the United States is indicative of the possibilities for the future. There are the United States Pipe Lines, Panhandle Eastern Pipe Lines, New York and Richmond Pipe Lines, Transcontinental Gas Transmission Pipe Lines Incorporated, Texas Eastern Pipe Lines and Tennessee Pipe Lines and many others. For instance, the Transcontinental lines alone in the United States spent $191 million before they had a dollar of revenue. The soundest investment houses in the United States, the Boston Mutual, the Metropolitan Life and the leading financiers of the United States, grabbed these securities and gave them bonds at good rates because they saw the possibilities of cheaper heat and power. Surely we in Canada, Mr. Speaker, should realize what it could mean to this country when the great republic to the south of us is piping gas almost two thousand miles; and they are ready to back that investment privately and otherwise. I ask, Mr. Speaker, should we not pause? I ask the hon. member for Fort William (Mr. McIvor), does he criticize us now for pausing to discuss whether we are going to send Alberta oil over to the United States first? Are we going to let Alberta oil mean more to the United States than it does to Alberta or British Columbia? That is all we want to know. Personally I am glad to see that there are several companies ready to build pipe lines. We shall have no trouble getting the gas transported. There will be no trouble to get these lines built.

As the hon. member has just said, it does not matter how many lines you may approve. We are not opposing the building of a pipe line. I have no axe to grind, Mr. Speaker. I do not know the personalities in either case, but I feel that I would be derelict in my responsibilities as a member of this house if I did not do everything in my power to see that these lines were developed east and west rather than north and south to start with. I am satisfied that there are greater possibilities in western Canada than many people have yet dreamed of.

In many parts of the United States the domestic requirements are now beyond the supply. Utility companies are asking the governing bodies to restrict the use of gas for domestic purposes, because they cannot build the pipe lines as rapidly as needed to serve the people who want the gas from down in the far south. Gas is an exhausting resource. I do believe, Mr. Speaker, that the future population of this country is not 15 million but 50 million. I have every confidence that in another 25 years, with the progress that you have observed in the last quarter of a century, you will see in Canada the greatest development going on in any place in the world. I am sure that western Canada will be a great industrial centre. It is bound to be. That development will not come by chance. That development will not come by saying that all is well. That development will not come by saying that, if the opposition will keep quiet and not face the dangers of the future, all will be well and we shall be prosperous. You know, Mr. Speaker, that development will come where there are great resources. People live where they can sustain a high standard of living. People seek employment where there are great resources and possibilities. History has shown that there is no greater factor in the development of any country than the possibilities of power. In the old days it was coal; then it was hydroelectric power; and now we are in the oil and gas age. The fact is that the United States of America is now leaning more towards that, and it shows the possibilities that we have in the years that lie ahead.

Natural gas costs little more than one-half manufactured gas. As I have said, the recent development of Alberta gas and oil is, to my mind, the most spectacular single feature of hope in our rapidly changing Canadian

economy. I do believe that there is a tendency to feel more or less inferior to the United States of America. I take second place to no one in this house in my admiration for the great advancement of the republic to the south of us, the great market for many of our products. When the United States is prosperous, as it is at the present time, Canada, with about only one-tenth of the population, with similar customs, is bound to be prosperous.

I do feel—and I believe it has been the policy of the party to which I belong—that Canadian resources should be developed first for the benefit of Canadian people. I know that some of my hon. friends across the way used to be free traders. Now they are not just sure what they are. I know there are those on the front benches across the way who will say we must look north and south. I know that their grandfathers stood for commercial union with the United States as far back as 1885. I know that some of our grandfathers feared we might be annexed to the United States. One extreme is perhaps as bad as the other. But I am satisfied now that even those who believed in free trade a few years ago, and believed in building north and south and in supporting the United States and keeping us, as has so often been said, hewers of wood and drawers of water, in this advanced age do not want to be diggers of gas and oil for the benefit of developing the great western state of Washington ahead of British Columbia or Alberta. All you have to do, Mr. Speaker, is to look at the map of the United States of America. If you look at the map you will see that the pipe lines are built up from Texas into New York, and into all that great industrial area where about 60 per cent of United States industry is situated. If you will look at that map you will see that that is where the pipe lines are going at the present time. There are not many pipe lines over in the state of Washington. Not long ago I noticed a United States writer said that that would be the next state developed in the United States. Since we have found a great bonanza of gas and oil in the province of Alberta, if they can get the pipe line down through the United States they will develop Washington as they have indicated.

I want to see Washington developed, Mr. Speaker, but I prefer to see Alberta and British Columbia developed first before we take our resources over to develop the United States of America. That is not an unfriendly attitude. Someone said here the other evening in a rather reckless tone, "No truck or trade with the United States of America." It seems to me, Mr. Speaker, that many hon. members on the other side of the house have heard nothing about our Conservative policies except a few catch phrases such as "no truck or trade with the United States", or "brick for brick."

Mr. Abbott: There is not much else.

Mr. Rowe: No? I will tell you one or two things about your party's policy before I am through. I well remember the hon. Mr. Dunning, an ex-minister of finance. It was not "brick for brick" with the United States of America. He said, "We will have a countervailing duty. Every time they put on a duty in Washington we will put on one here." In other words, Washington would fix the duties for Canada. There has been a great change of heart. You are no longer a free trade party. There are more protectionists, subsidizers and bonusers on the other side of the house than there are on this side. You are no longer free traders. You may criticize us for "no truck or trade with the United States." But the United States is just as friendly to a virile policy to develop Canada first as it is to any wishy-washy policy that does not know where it is going. I know that you talk about trade.

Mr. Hodgson: A twenty-five per cent austerity program.

Mr. Rowe: When you talk about trade, Mr. Speaker, we shall have bountiful resources of gas and oil for the United States of America. We have sold them a lot here, and we have sold them a lot before. Oh yes, the Minister of Finance (Mr. Abbott) smiles.

Mr. Abbott: Where do you sell your product?

Mr. Rowe: And it doesn't hurt your department, either.

Mr. Abbott: Not a bit, no.

An hon. Member: Manufactured in Canada first.

Mr. Rowe: We sell our product in the United States, yes, but we do not sell it in crude form, and we pay substantial amounts of money into the treasury of Canada. I am also proud of the fact that we give employment to 2,500 heads of families.

I want to see a pipe line developed in western Canada that will send gas and oil over to Kamloops. I want to see a gas line to Kamloops, and down through the central part of British Columbia, and then down and across into Vancouver. And then, if you wish to go down farther—there may be plenty of it left—pipe it down to Seattle and those other places.

I do not agree with the hon. member for Fort William (Mr. McIvor). I would like to see it in Fort William as well. That little company to which the Minister of Finance has referred spends a million dollars each year for American coal. I would rather spend a million dollars each year for Alberta gas and oil.

Mr. Howe: What about Alberta coal? What about this "Canada first?"

Mr. Smith (Calgary West): You can't get it there, and you know it.

Mr. Abbott: A little higher price, then.

Mr. Howe: It is different when it comes home.

Mr. Rowe: This afternoon—

Mr. Smith (Calgary West): When you learn something about coal, I will talk.

Mr. Rowe: The minister does not disturb me a bit. This afternoon he said he could not use it on the railroads, but tonight he wants me to use it. He does not disturb me a bit by that remark, because I read his speech in Montreal, and I heard him make a few months ago or a year ago just as wild a statement as he made before when he said that the future of this country depends upon trade north and south.

Mr. Howe: Who said that?

Mr. Rowe: You did, in Montreal—and so did your friend, the Minister of Finance. The policy of the Liberal party for the last half century has been to develop trade north and south rather than east and west. The policy of this party, down through the years, whether there have been few of us here or not—and I am not discouraged because there are only forty or so of us here: I would rather be here with forty who are serious and concerned than here in smug complacency with 180.

I tell you, I see a future for Canada. Some may be surprised when I say that, having been here as long as anyone, I am not a bit discouraged, because I am satisfied that we shall have a sound period of development, and that Canada will become what our forefathers thought it would be. I am satisfied that when we have sound leadership the tide will turn, when the goose is not hanging quite so high as you men have it at the present time. We shall be over there and you will be over here.

I say that because the government of today cannot laugh this off as they have laughed other things off. Someone will say—indeed I wonder someone has not said it, because I have heard it half a dozen times in the last while—that you won the last election.

Mr. Smith (Calgary West): A hundred times.

Mr. Rowe: You won the last election, true. But remember—

Mr. Abbott: And the one before that, too.

Mr. Rowe: Yes, and the one before that. Power corrupts, and absolute power corrupts absolutely. I can see this government wobbling under its own power, and complacently sitting by.

The other evening, in answer to a question, the Minister of Trade and Commerce was not sure whether or not the pipe lines were going to be built in Canada. He did not seem to care whether they were or not. He did not mind their being built in Canada, if it was practical and economical to do so. I do not think he would rather build them in the United States than in Canada.

Mr. Howe: Thank you.

Mr. Rowe: You're welcome. I don't want to charge you for anything.

Mr. Abbott: You are going well.

Mr. Howe: Don't stop.

Mr. Rowe: Thank you. If it amuses you and interests the rest, then I figure I am doing something. But I sometimes wonder what is behind all this. Why all this secrecy? I am glad I am getting some of your followers interested. I always feel I am making headway when the backbenchers are asking questions, and when the Minister of Finance is laughing.

An hon. Member: You talk on nothing.

Mr. Rowe: You talk all the time on nothing. Someone has said "If it is practical we will support it; if it is economical we will support it." Economical to whom?—to Canadians, or to Americans? Practical?—yes, it is 350 miles shorter.

An hon. Member: What about cost?

Mr. Rowe: Over here I hear the question, "What about cost?" Maybe it will cost more.

An hon. Member: What is a million or two.

Mr. Rowe: Oh yes; it was only a few years ago the Minister of Trade and Commerce said, "What is a hundred million?"

Mr. Abbott: Coming up!

Mr. Rowe: One of the most eminent authorities on the building of pipe lines on the North American continent is the firm of Ford, Bacon and Davis, Incorporated, of New York, and they say that this is completely practicable and absolutely economical in all respects —that is, by the Canadian route.

Someone suggests it might cost more. Yes, it might. The United States of America is

spending billions of dollars a year to bring gas pipe lines to their householders to reduce their cost of living and improve their standard of living. If you have a pipe line that will serve for twenty years, with a right of renewal, is it not economical and is it not of interest to the Canadian people?

I am convinced this route should be built in Canada; and I know as well as every other hon. member within sound of my voice that it will be built in Canada if the government of Canada wants it built in Canada. You can pass it on to the railway commission, you can pass it on to the provincial government of Alberta—you can pass it on to whom you wish; but if this line to Kamloops and through the central part of British Columbia and the northwest part of the Peace river district is neglected, the onus is on the government of Canada.

Mr. Howe: Why does it have to go through Kamloops?

Mr. Rowe: You understand why you won't take it through there.

Mr. Howe: Is it on account of the hon. member for Kamloops (Mr. Fulton)?

Mr. Rowe: Would you rather have it a hundred miles south in the United States?

Mr. Howe: You wouldn't mind five or six miles, would you?

Mr. Rowe: All you have to do is look at the map. I ask the Minister of Trade and Commerce whether he would rather have it a hundred miles south, in the United States, through the American west, a hundred miles back up to Vancouver—and make Vancouver the back door of Washington state.

Mr. Howe: Who is going to do that?

Mr. Rowe: He laughs best who laughs last. I say that if this route is built through the United States first it will be a monumental blemish on the present government for the next twenty-five years.

An hon. Member: Will they still be here?

Mr. Rowe: Someone says they will still be here. That is some of their smug complacency. They do nothing; it does not matter, so long as it does not happen to them.

Mr. Abbott: It all depends on the opposition.

Mr. Rowe: There is something to be said for stability; there is something to be said for a permanent policy of using our own resources. From an aviation point of view Edmonton is almost the centre of the world.

An hon. Member: Were you ever there?

An hon. Member: The Americans did it.

Mr. Smith (Calgary West): It will be the biggest airport in the world.

[Mr. Rowe.]

Mr. Rowe: I have been there quite often. I guess I have been in as many other parts of Canada as the hon. member. I may not have learned as fast as some, but I have seized on a few things.

Mr. Winters: You are a smart boy.

Mr. Rowe: You are a smart boy yourself. You are one of the young fellows who learned faster than I did.

Mr. Kickham: Tell us about the thirties.

Mr. Rowe: I am glad the hon. member can remember back that far. He was not here, but I know that he was thinking about something else altogether. Look at the great industrial development in this country both in time of war and in time of peace. If we ever got into a conflict with another country—I am not going to say what country it might be—if we ever got into a conflict with another powerful country, Alberta and British Columbia might be in the heart of things. Would it not be a good thing to have a pipe line down through the centre of British Columbia to serve those people in a time like that? Have you no hope for British Columbia industrial development? Have you no hope for the development of the northeasterly and Peace river sections?

Mr. Stuart (Charlotte): Who looked after us in the last war?

Mr. Rowe: We are all in favour of having the closest association with the United States of America, but we can be a strong ally of that country only by keeping ourselves strong. Our own protection depends upon our own strength. Our own standard of living depends upon our own industrial production. Our industrial production depends upon our own strength. Our own strength depends upon our future freedom. Our future freedom depends upon whether we are going to—

Mr. Murray (Cariboo): I rise on a question of privilege as I come from the Peace river district. I come the longest distance of any hon. member to this house.

Mr. Smith (Calgary West): What is the question of privilege?

Mr. Murray (Cariboo): Is parliament to be thwarted by a little wilful group of men—

Some hon. Members: Order.

Mr. Speaker: Order.

Mr. Murray (Cariboo): —who deliberately—

Some hon. Members: Sit down.

Mr. Speaker: I am sure there is no question of privilege.

Mr. Rowe: I am glad the hon. member has come so far because he must be impressed

when a group the size of this can dominate a group the size of that. It is worth coming that far to see.

Mr. Speaker: I must inform the hon. member that his time has expired.

Mr. Rowe: I was watching the clock and I thought I had a couple of minutes.

Mr. Speaker: The hon. member for Dufferin-Simcoe can continue only with unanimous consent.

Some hon. Members: Go on.

Some hon. Members: No.

Mr. Murray (Cariboo): Is parliament to be reduced to being an annex of the stock exchange?

Mr. Speaker: The hon. member has spoken already in this debate. Is the house ready for the question?

Mr. Sinnott: Mr. Speaker—

Mr. Herridge: Mr. Speaker—

Mr. Murray (Cariboo): There is a very grave—

Mr. Speaker: Is the hon. member speaking on a question of privilege or a point of order?

Mr. Murray (Cariboo): I am asking whether parliament can be frustrated and held—

Some hon. Members: Order.

Mr. Speaker: The hon. member has stated his question of privilege. I might also point out that the hon. member has spoken in this debate and I am afraid the rules prevent his speaking a second time.

Mr. J. S. Sinnott (Springfield): Mr. Speaker, I listened to a debate of this type at the last session and for part of this session and possibly I have been enlightened. I think perhaps some hon. members will be surprised when I state that my views are similar to those held by the hon. member for Dufferin-Simcoe (Mr. Rowe).

An hon. Member: The first convert.

Mr. Sinnott: I hold in my hand a pamphlet put out by the Westcoast Transmission Company which I believe is the only company that has come out for an all-Canadian route. I do not think this parliament is concerned about how many pipe lines are built so long as the applications provide for all-Canadian routes. While pipe-making facilities in Canada at the present time may not be able to meet all requirements, I think Canada has shown during the war that we can manufacture just as well as they can in the United States. If it is decided that a line is to go over an all-Canadian route I am sure we can find the material to construct such a pipe line in Canada.

On motion of Mr. Sinnott the debate was adjourned.

Mr. Speaker: The hour for private and public bills has expired and the house will revert to government notices of motion.

RADIO BROADCASTING

APPOINTMENT OF COMMITTEE TO CONSIDER ANNUAL REPORT AND REVIEW POLICIES OF CANADIAN BROADCASTING CORPORATION

Hon. J. J. McCann (Minister of National Revenue) moved:

That a select committee be appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies and aims of the corporation and its regulations, revenues, expenditures and development, with power to examine and inquire into the matters and things herein referred to and to report from time to time their observations and opinions thereon, and to send for persons, papers and records;

That the committee have power to print such papers and evidence from day to day as may be deemed advisable or necessary;

That the committee have power to meet while the house is sitting;

That the committee shall consist of the following members: Messrs. Balcer, Boisvert, Cote (St. Johns-Iberville-Napierville), Decore, Diefenbaker, Fleming, Fulton, Gauthier (Portneuf), Gauthier (Sudbury), Hansell, Henry, Isnor, Kent, Knight, Langlois (Gaspe), Maybank, McCann, Murray (Cariboo), Richard (Ottawa East), Robinson, Riley, Smith (Moose Mountain), Smith (Calgary West), Stewart (Winnipeg North), and Whitman;

That the presence of at least nine members shall be a quorum of the said committee; and

That standing orders 64 and 65 be suspended in relation thereto.

He said: Mr. Speaker, I should like to make some brief remarks on this resolution to set up a select committee on radio broadcasting. Since the national radio system was started in 1932 different governments have thought it appropriate that committees of the house should be appointed from time to time to study the activities of the system and to consider general broadcasting questions. Through the years different committees have formulated principles upon which broadcasting in Canada is based. They have also made a number of important recommendations which have been carried out following their reports.

We believe it is a good thing to have committees on broadcasting such as that proposed in this resolution. Broadcasting is different from most other public activities. Parliament long ago decided that broadcasting should be entrusted to a public corporation having a wide degree of independence of the executive government. There were two important reasons for this: first, that broadcasting,

which is quite different from ordinary government administration, should be carried on by a corporation able to follow many of the methods of private enterprise in its work and having the necessary flexibility in its operations; second, that broadcasting, carrying as it does much information and opinion, should be run by an independent and impartial body which would be free from any question of partisan influence.

Under the Canadian Broadcasting Act the Canadian Broadcasting Corporation is not answerable to me or the government for its actions in carrying on its broadcasting operations, and the government is not responsible for the actions of the corporation in carrying on its broadcasting under the act. The corporation is of course responsible to the overall jurisdiction of parliament. In effect it reports directly to parliament as a whole. That is why it is particularly appropriate that a committee of this house composed of members of all parties should examine the activities of the corporation.

The government does support the principle of a strong, national, publicly-owned broadcasting system independent of any possible partisan influence, flexible in its structure and in its methods. This is a principle agreed upon by all major political parties in the past, and we believe approved by the vast majority of Canadian citizens. The corporation itself is independently responsible for its daily actions in carrying out its trust. It seems fitting, therefore, that a committee of parliament should examine the reports of the activities and plans of the corporation, and get information and explanations which it wishes directly from its officers.

Under the broadcasting act the government has a responsibility for approving large capital commitments by the corporation. Since the war we have approved the establishment of facilities to extend or improve the services to the people of Canada in different areas. We have also provided loans for other purposes. These developments have been all moves toward the kind of national coverage which was always envisaged for this particular system. New transmitters in Alberta, Manitoba, southern Ontario and the Saguenay district went into operation in 1948. Last year a new medium power station was added on Cape Breton island, which it is hoped to improve in the future. This year a new 10 kilowatt station will go into operation near Windsor to bring national service for the first time to the people of southwestern Ontario. The power of station CBM, serving English-language listeners in the province of Quebec, will also be raised to 50 kilowatts, and the power of CBR, Vancouver, will go up to 10 kilowatts. These power increases will improve the service to listeners, particularly in parts of these regions away from the larger cities. They will also protect for Canada the classification of the frequencies under international agreement. I want to stress that point, because it is very important.

On the union of Newfoundland with Canada we made provision for the CBC to take over the facilities of the broadcasting corporation of Newfoundland, and to incorporate them into the national system of Canada. Line connections between the two systems previously had not existed; but by strenuous efforts of engineers of the Canadian National Telegraphs, the Department of Transport, the CBC and other co-operating authorities, a permanent connection was established just in time for the day of union which, as we heard in this house, was exactly one year ago this midnight. I think the house will agree that this was an important development for the greater Canada. The first day of the new confederation last year people in Ottawa and all parts of Canada were able to hear the ceremony at St. John's, and listeners in Newfoundland as well as other parts of the country heard the ceremony on parliament hill. Since then listeners in Newfoundland have been able to hear much of the same broadcasting that goes out to other Canadians, and listeners in other regions have been able to hear voices and reports on the air directly from that new province. Probably no single Newfoundlander, any more than any other listener, likes all the network programs he can hear, but I think the national radio system has helped and can still help much further in promoting mutual knowledge and understanding between the new province and the other regions of Canada.

The committee will have before it the annual report of the corporation. The report speaks bluntly of the basic financial position of the system, and of the danger of having to reduce services severely unless the revenue basis is changed. The fundamental difficulty seems to arise from the fact that because of the general increase in price levels during the last twelve years cost rates to the corporation have risen greatly, while at the same time its main revenue rates have remained unchanged. The corporation faces a number of demands from different parts of the country for new or improved services. It reports that it will not be able to meet these demands, and will in fact have to cut its services drastically unless its revenue basis is changed. The committee will undoubtedly wish to examine the finances of the corporation. It may wish to consider questions of present expenditures and revenues. It may wish to consider the basic situation of the corporation looking to the years ahead, though it may

wish to leave basic financial questions until the report of the royal commission now sitting under the chairmanship of the Right Hon. Vincent Massey is received.

The royal commission is making an extensive study of broadcasting questions. It has held hearings now at many points in nine provinces. I understand that it will have a further series of hearings in Ottawa in April which, with a following visit to Newfoundland, will likely complete its public sittings. I understand we may expect the report in a few months; and I believe this report will be of great value in view of the wide study made by the commission not only of the national system but of other broadcasting activities and of a large number of submissions from the public. This committee may decide to deal with some broadcasting matters which appear of immediate concern, and to leave others for consideration after the report of the royal commission has been made.

Television is one very important aspect of broadcasting that is being studied by the royal commission. In this house a year ago I gave a statement of the interim policy of the government in respect to television pending the report of the royal commission. We thought the time had come to begin the development of television in Canada, and we thought that at the beginning a foundation should be laid to provide for a basic service of Canadian television in the national interest, using Canadian talent and Canadian ideas, and with provision for participation by private enterprise. To this end the policy provided for permission to the C.B.C. to establish production centres in Montreal and Toronto, with associated transmitters, and for the first financing for such development. These centres would be set up to supply a certain service of programs to other stations which might be established in other areas. In view of the high costs of television we suggested that any private groups interested in any area should join their resources to try to provide the best possible operation. So far no such applications have been made. The C.B.C. is going ahead with the production centres in Montreal and Toronto.

No doubt the royal commission will have recommendations to make on the further development of television. The committee may wish to consider present plans. I hope that, in any study of television questions, full consideration will be given to the national needs and interests of Canada as a nation. Television is very far from being just a question of whether certain interests should have the opportunity to set up an operation on one of the few public air channels available. Such an opportunity becomes a monopoly position to a large extent, and therefore the question needs careful consideration, with full thought for the future as well as the present. Television as it develops will become a strong social force. That force can be for the good, or the opposite. It can serve to weaken the nationhood of Canada, or to strengthen it. I believe that all studies of these matters should be on the basis of how television can best serve the public in a good sense, and best serve the interests of our Canadian nationhood, under our special Canadian conditions.

As well as carrying on its national service in Canada, the C.B.C., acting as agent for the government, operates the international service broadcasting by shortwave to other countries. This service was started during the war. I can remember members from across the house pressing particularly for its establishment. We thought that it would be also very useful in peacetime in helping the knowledge and understanding of Canada in other countries. Now in a time of "cold war", I think its importance is even greater than we expected it would be. It is very useful, I think, for the service to be able to help keep people in other English-speaking and Latin-American countries informed about Canada; about our attitudes, our activities, and our trading possibilities. But perhaps now it is even more vital to be broadcasting regularly to people of many countries in Europe, where the seeds planted from the east are at work, and where knowledge of how this Canadian democracy works and thinks can be so encouraging. Canada, while not one of the great powers, has a voice that is listened to with respect in many parts of the world. One of the ways in which that voice is heard in a very direct way is through the international service. And where the service goes behind the iron curtain, as it does with the well-established Czech service, I think its value is inestimable.

The service is carried on in close continuous consultation with the Department of External Affairs, and with other departments as appropriate. The responsibilities of the service have always been recognized, and great care taken to carry them out properly and securely. In consultation with the proper government authorities, and with full use of the R.C.M.P., careful measures have been taken over a period of years to make sure of the security and the loyalty of the staff of the service. The measures taken have not been sporadic, but form a continuous process. They started on a general basis in 1946, were made still more detailed in 1948, but are still going on and will continue to go on. I am kept informed of the measures taken, and I believe they provide the fullest possible assurance of a loyal staff. For that reason I regard as

very unfortunate remarks made outside the house tending to reflect unfairly on members of a staff that have not only shown their integrity by their work and attitudes, but have also been checked very thoroughly by the proper agency, and when a watchful eye is always being kept. Because precautions are taken, it is no reflection on members of a staff. They are merely added safeguards which are necessary these days in such a service.

It is unfortunate that because the international service is beamed to other countries it cannot be heard easily in many parts of Canada, so that it is difficult for Canadians to know what it is saying daily to other countries. Probably the committee will wish to examine some of the output and activities of the service. I can assure them that if they visit the international service headquarters in Montreal they will find that it is quite fascinating to see and hear the daily work of the service.

I think the committee might also be interested in going to Montreal to see the Radio Canada building, formerly the Ford hotel. It has been partly occupied for some time, and shortly will be fully occupied. We arranged to buy and transform this building to provide headquarters for the international service, which had been housed in several unsatisfactory locations, the main one of which it had notice to vacate. It provided for the consolidation in one building of all C. B. C. operations in Montreal, which had been scattered among different buildings under highly unsatisfactory conditions. The national service of the C. B. C. will pay proper rent for its share of the use of the new building. I think that on seeing the new building the committee will agree that it will provide very satisfactory quarters for the complicated Montreal operations of both national and international service for a decidedly reasonable amount under present-day costs.

Mr. Speaker, the national radio system has a task that is more complicated, difficult and expensive than is realized by many Canadians, and perhaps by many members of the house. It has to try to cover this huge country of ours from the Avalon peninsula to Vancouver island, with all its different regions and time zones. It has to maintain services in two languages. Above all, it has to try to meet the varying tastes and wants of different people. There are plenty of things on the air which I do not like or do not agree with. But I know that probably some other people like them or agree with them. The national system should be completely impartial in trying to meet tastes of different groups in as fair proportion as possible, and giving different opinions equitable chances to be heard.

I hope that members of the committee, in considering the programs and activities of the corporation, will take a large view. I hope they will consider matters not from narrow viewpoints, but on the basis of the general good and fairness to all opinions, tastes and needs in Canada. And I hope particular objections or criticism will not prevent them from taking pride in an over-all Canadian accomplishment.

Mr. W. Chester S. McLure (Queens): On March 17, when this notice of motion was read in the house, I rose to protest against the appointment of this committee. I did not do so because I had anything against any member of this committee, but because the minister disregarded one province in Canada, Prince Edward Island. For the size of the station, the Prince Edward Island broadcasting station is superior to anything of its kind in Canada. When one looks at the set-up of the committee, one finds that there are two members from British Columbia; three from Alberta; three from Saskatchewan; two from Manitoba; six from Ontario; six from Quebec; one from Nova Scotia; one from New Brunswick; one from Newfoundland; and none from Prince Edward Island. Now, that is the protest I am entering.

Mr. McCann: Why did your party not appoint you?

Mr. McLure: I had nothing to do with it. I do not want to be a member. Why did you discriminate against my province?

Mr. McCann: On a point of order, Mr. Speaker, I did not appoint the committee, and I did not discriminate against anybody. As I understand it, the appointment of committees is a matter for arrangement between the whips, and they try to give representation to all the different parts of the country, and to the different parties.

Mr. McLure: The minister should have looked over the committee if it was appointed by somebody else. He should know his geography sufficiently well to see that every province is represented on this committee.

Mr. Knowles: He knows it when he is collecting taxes.

Mr. McLure: If we are to pay licence fees and taxes to support broadcasting, why can we not have representation on this committee? That is my protest. I do not believe that any member in this house will want to have Prince Edward Island left off this committee. As hon. members know, for instance,

and especially those from the maritime provinces, we have the finest broadcasting station of its power that there is in Canada. I refer to station CFCY, the friendly voice of the maritimes.

To show how popular it is with the members from the maritime provinces, when the list is made out for the broadcasts from parliament hill, the four members from Prince Edward Island are included. Then the members from Nova Scotia and New Brunswick all want to get on that station, notwithstanding the fact that they have stations in their own provinces. Seven or eight more from New Brunswick and Nova Scotia are on the program and there is a waiting list of eight or nine more to get on. Then when we want to see that our province has its rights protected in this committee, the minister does not even give us representation on it.

Here and now, before this committee is set up, I want him to appoint a man from our province. If he says that he has nothing to do with it, then I tell him to let the matter stand aside for another day and let him give instructions that our province be represented. I should like to inform him that I am not anxious to get on this committee; I have more work now than I can do. But there are three other members from Prince Edward Island. My colleague, the hon. member from Queens (Mr. Douglas), knows broadcasting and broadcasting conditions. I cannot see why he could not be placed on this committee and why it could not be made a committee of twenty-six. I do not want to see anyone taken off it. Let all the other provinces have their present representation on it. But in the name of goodness, do not discriminate any more against Prince Edward Island. This government has always discriminated against our province; and even in this small matter they go to work and discriminate again. I want to know right now from the minister whether he is going to grant my request that he add a representative from Prince Edward Island, the cradle of confederation, to the membership of this committee. I think he should give an answer to my question.

Mr. Speaker: The hon. member for Rosetown-Biggar.

Mr. M. J. Coldwell (Rosetown-Biggar): I think the hon. gentleman has reason for complaint, Mr. Speaker; because, after all, there are twenty-five members on this committee. There are five Progressive Conservatives, two C.C.F., one Social Credit and seventeen Liberals. It seems to me that among the seventeen Liberals one could have been found from Prince Edward Island. I did not rise for the purpose of saying that, however, except to join my plea to that of the hon. member and to urge that something be done to meet the lack of representation of Prince Edward Island.

I greatly regret that this year I shall not be on the radio committee. I have been on every one of the radio committees that has been established by this house in the past. I have found great interest in the work and have enjoyed it immensely. It is only because of the pressure of work that I am not able to sit on that committee this year. During the years I have been on the committee I have watched the development of the Canadian Broadcasting Corporation. I remember, as the minister stated in his address just now, that when first of all the commission was set up, followed by the corporation, it was generally agreed among all parties in the house that a national system of broadcasting should be dominant in this country. I think that the corporation has performed a remarkable service to the people of this country in the few short years of its existence. When I have the opportunity to do so, I invariably listen to some of its many good programs. I want to compliment the Canadian Broadcasting Corporation on their Wednesday night program. I think those of us who heard the program this week, for example—the music, the songs, the description of Sweden—realize the value of interpreting that country to this one even as our international service of our Canadian Broadcasting Corporation interprets Canada to Sweden and to the other countries.

I think the educational part of the work of the Canadian Broadcasting Corporation is the phase of it that should be specially noted and specially mentioned. Whenever I get the opportunity I listen in even to "Kindergarten of the Air", a remarkable program. A few days ago a little boy whom I know in this city, while listening to "Kindergarten of the Air", heard the kindergarten teacher who was giving the broadcast say "take your thumb out of your mouth." The little fellow had his finger in his mouth and he pulled it out immediately, so interested and intent was he on the program. Programs that are of educational value we get regularly only through the broadcasting corporation. Once in a while we get perhaps a program over one of the private stations; but the regular programs that are of educational value are heard from day to day and week to week over the C.B.C.

I think too that a great deal of credit is coming to the corporation for the work it has done in raising the standards of appreciation of music and for some of the opera that we have heard by the Canadian opera singers, young men and women of the conservatory

of music in Toronto, young men and women who have won various awards in competition, joining together to give Canada the kind of entertainment that we have hitherto been unable to get from our own citizens.

I enjoy the opera which comes from the United States on Saturday afternoons in the winter, but I enjoy much more the opera that comes from the C.B.C. from our own Canadian artists; because I like to think that this country is developing not only in the material but in the cultural way. I think that the broadcasting corporation has done an excellent job in bringing together these young singers, training them and enabling them to give the kind of program that we have heard from time to time, this winter more particularly, as well as last winter.

Then of course I know of the awards that have been given to the broadcasting corporation for some of its programs. Some of the productions on "Stage 50" programs, as well as some of the Wednesday evening programs, compare in artistry and in cultural value with anything that is done elsewhere. I think it is remarkable that the C.B.C., with its limited resources, has been able to retain the services of several outstanding young men and women—I will not mention their names because there are several of them—who have given Canada a fine example of what can be done in the field of drama. Out of this C.B.C. programming in opera and drama, I have hoped that we are getting nearer the day when we shall have in this country a national theatre, with opera, drama and ballet assisted and even subsidized by the state itself. I know that when I meet people who come from some of the small European countries such as Latvia they tell me of the fine opera houses and the fine national drama that they had in the city of Riga. I wonder when we are going to have something similar in our own country, because after all man does not live by bread alone. We need the cultural activities as well.

This evening, just before I came down to the house, I listened to one of the very excellent talks in the series given by Professor Phelps of McGill university, stories of travel, on the interpretation of Britain, England, Scotland, Ireland, Wales and so on. They have been of a very high order and I have, as others have, enjoyed them very much indeed. Another example is commentaries from overseas, commentaries by Matthew Halton and others who speak without any censorship, and who speak as they see it, not always of course acceptable to some because we have men of different views and different types on the air; but none the less giving us a picture of international affairs that is well worth while from the point of view of the progress and education of the Canadian people. Of course I should not omit to say how valuable the commentaries from the United Nations have been ever since the United Nations was set up. I think these projects should be commended when we have the opportunity to commend them. No private stations, with their dependence on advertising, give us the kind of programs that we are getting from the broadcasting corporation.

I should like to see advertising entirely eliminated from Canadian radio. I know that probably that will not be done now. I noticed, though, the other day that a spokesman for the association of broadcasters, when speaking in New York, suggested that the Canadian Broadcasting Corporation should do no advertising. Well, I wish that were possible. Perhaps it might be made possible if the government recognized that, if we are to have advertising and the private stations are to do it, something, say 25 per cent or 30 per cent of their gross receipts from advertising, should be handed over to the Canadian Broadcasting Corporation to enable them to put on the cultural and other programs that they think the Canadian Broadcasting Corporation should be undertaking. In that way perhaps advertising could be eliminated from the C.B.C., and the others, if they were permitted to do so, could go ahead. If they set aside 30 per cent, we will say, of their gross advertising receipts, a substantial sum would come to the Canadian Broadcasting Corporation. Perhaps they have that in mind, because naturally if they think of cutting out all the advertising from the C.B.C. they must of necessity have some views as to how the money would be raised to carry on the kind of work that the broadcasting corporation must undertake on behalf of Canada.

I want to say that the many activities of the Canadian Broadcasting Corporation, the forums and the other programs that I have already mentioned, are heartily supported by organizations of our farmers, of our workers, and of our professional people, and so on, because they give to Canada something that we seldom get in any other way, namely, a free and frank discussion of problems that are affecting the people.

I sometimes go to the United States. I was there the other day, and as usual when there I hear comments on the Canadian Broadcasting Corporation. The comments are favourable, indeed laudatory. Again and again I hear the remark that our news service is particularly appreciated on the other side of the line because it is not sponsored. There is no advertising. As a rule the news service is pretty objective in its reporting. Of course

I understand that the broadcasting corporation news room has to rely on the Canadian Press, and on the United Press and other news gathering agencies. But with the agencies that are supplying the news to it, the C.B.C. does the best job it possibly can, and one which I think is pretty objective reporting as a rule—objective, of course, from the news agency in the first place, and secondly, objective when put together by those who write the scripts for the newscasts over the C.B.C.

When the committee is set up I hope it will go into this matter of advertising. Advertising on the radio, and particularly on the private stations, has become a sickening experience. I do not know what kind of people some of these advertising agencies think our people are. These singing commercials that you hear are examples. One would think that they were appealing to a nation of morons. Then the statements that are made with absurdly extravagant claims are obviously ridiculous. You hear one soap company telling you that its product washes clothes whiter. Then a few minutes later you hear another soap company contending that its particular soap contains some ingredient or other that makes the clothes whiter than new, and so on. You know perfectly well that they cannot both be telling the truth, and you know perfectly well that what they say are unmitigated falsehoods.

An hon. Member: Soft soap.

Mr. Coldwell: Well, this goes over the air. I sometimes wonder why protests do not come from some of the leading church authorities against these particular claims. I remember about a year or two ago protests against Rawhide's program which followed pretty closely a church period in the morning. Well, I listen to Rawhide occasionally. His program is liked by a great many people. It is a corny sort of program. He brings along a lot of very good recordings, and makes some amusing comments. There is nothing objectionable, nothing sacrilegious in it, but if you follow the program that comes after Rawhide—I refer to the Breakfast Club—you will find a mixture of prayer, sentimental music, hymns and advertising of pork products and bologna. It seems to me that if there is anything sacrilegious, it is the use of prayer and hymns for the advertising of pork products and bologna. I could not quite understand the objection to Rawhide when there was toleration of a program like the Breakfast Club on the air. Each day we hear other programs on which the advertising is making claims that are absolutely false.

Mr. Knowles: They will be praying for you tomorrow morning.

Mr. Coldwell: I hope it will be much more effective than the bacon with which they supply me in the morning.

I also want to say that I have followed with a great deal of interest the criticisms of the Canadian Broadcasting Corporation by the private stations. The Canadian Association of Broadcasters is, in my opinion, a closely knit combination in this country. I believe that if the Combines Investigation Act were amended, as it should be, to prosecute combinations in the supplying of service, the Canadian Association of Broadcasters would come under the heading of a combine. I happen to have before me the rate sheets of most of the stations in Canada, sent out by the Canadian Association of Broadcasters. I have forgotten how many there are, but it is a very large volume. Some of them are originals, some of them are photostatic copies, but they are all alike. Some of the rates for the same power are alike. Some for the same power with different coverage are not alike. You find however that the Canadian Association of Broadcasters has a standard rate for the various stations of Canada. They have their time classification, and their standard rates structure for broadcasting.

The one I have in my hand, picked at random, is for station CFNB, Fredericton. It has class A rates for various periods, including from 6 p.m. to 11 p.m. daily, and class B from 6.30 a.m. to 6 p.m. and 11 p.m. to 12.15 a.m. daily.

I notice one reminder printed in heavy black letters at the bottom—and this will be of interest to members of parliament—is that political broadcasting takes single time class A rates, which is the highest rate of all. It seems to me if we were really the democracy we like to think we are we should be promoting free discussion whenever possible and in every possible way, within reasonable limits of course as to time, at the lowest and not at the highest rates.

I appreciate that private stations do give reports from parliament hill. I am also reminded however that when an election comes round radio time is available in large quantities to those who can purchase it, but it must be purchased at the highest rate.

Mr. Smith (Calgary West): Does the hon. member know that at election time the newspapers do exactly the same thing?

Mr. Coldwell: The hon. member says that at election time the newspapers do the same. That is right; I know that is perfectly true.

Radio Broadcasting

But let me point out that, through the Canadian Broadcasting Corporation, the parliament of Canada alienates to a private station a public utility or channel. The newspaper, of course, is purely a matter of private enterprise in every respect, and on a very different basis.

Radio occupies a public air channel and, as such, it is a public utility and in a different class altogether from newspapers or magazines. So I suggest that when the committee meets it should go into the manner in which private stations are operated, examine their logs once again and see how much, or more likely little, they are doing to develop local talent, see how much they are giving to spot announcements which interrupt programs during most of the day. It should see to it that protection is given to the Canadian public against much of the kind of radio we are getting today.

I wish to criticize the Canadian Broadcasting Corporation, too, after I have complimented them on some of the things they have done. When the C.B.C. was established it was never contemplated that the high-power channels granted to this country under the Havana treaty should be alienated to private stations. It was never contemplated that we would have stations privately-owned with power of from 10,000 to 50,000 watts; and it seems to me that over the last few years the Canadian Broadcasting Corporation has played into the hands of powerful broadcasting interests in this country, and has alienated valuable channels which should have been retained for the public.

I have read the debates in the house, and I sat on the radio committee for years and know it was never contemplated, perhaps until the last radio committee sat, that these channels reserved for high-powered stations would be turned over for private operation. It was always considered that these would be the property of the people of Canada, and for the use of our publicly-owned radio system.

I regret very much indeed that over the past few years, perhaps in the past ten years, these have increased in power, bit by bit, first from 1,000 to 5,000, then from 5,000 to 10,000 and then from 10,000 to 50,000—all the way up. And bear this in mind, that the high-powered station may be a menace to the local community station. I have no criticism of the local community station that is doing the job some of the local stations are doing. I believe that in any national system of radio broadcasting there should be an opportunity for local community stations. But local community stations do not require 50,000 watts. They do not require 10,000 watts; and they should have been kept within the limits discussed in the house years ago of 1,000 or, at the most, 5,000 watts. We have some very good smaller stations across Canada, but these powerful 50,000-watt stations are able to get the advertising and to blanket the countryside over the area that should be served by the community stations.

The minister referred to television. I have noticed, and read with a good deal of regret, that certain private interests have been invited to participate in the establishment of television in this country. I believe television is too dangerous a medium to be placed in commercial hands. I will tell you why: it is because it is going to be a very expensive medium to use; and for that reason only powerful organizations will be able to put together the kind of program and pay for the kind of broadcasting that will have to be done on television.

A couple of years ago I witnessed a demonstration. This was not a demonstration against privately-owned television, but rather one to show what might be done in the field of television. This is what can be done: the presentation on that occasion showed a kitchen in which there was a lady preparing to make a pie. In doing so she took from the shelf a certain brand of flour. Not only did she name the flour and thus advertise it, but the picture was there before the eyes of those who were watching. The same applied to all the other ingredients—right down to the package of eggs to be used. Each ingredient was advertised not only by name but by picture, which is much more potent.

It seems to me that if television is to be used in that way it will be almost impossible for any of the smaller interests, who are producing commodities in competition with those of some of the large business concerns across the country, to survive. Precisely the same applies to the big departmental stores that will be able to advertise their wares by television, while the smaller merchants in the same area will find the competition from those larger stores almost impossible.

I say advertising should be kept off television waves altogether, that it must be entirely in the hands of an independent government organization—and when I say "independent", I mean independent of the day-to-day control of the government of that day. It must be used as a public educational facility. That is going to be costly; and if we are going to have that kind of television, which I suggest is the only kind we can safely have, then I think we shall have to find in some way the ways and means of financing it from the public treasury. I know it is impossible to get people to agree to an increase in the radio licence fee, but I think we must see to it that the corporation is adequately

financed. Speaking personally, I think the radio in my home is worth, not $2.50 a year but many times that amount because of the real pleasure it gives to some one permanently shut in. But of course all people do not look at it that way. Not all can afford any more than the present moderate licence fee. Therefore we have to look for other ways and means of financing the organization.

If advertising is to be discontinued and if the private stations are to take over and have a monopoly of advertising as they apparently demand, then I suggest that they should give thirty per cent, we will say, or more of their gross receipts from advertising for the upkeep of the national radio system and as payment for the use of a very valuable channel granted to them and over which they have a monopoly.

I do not want to detain the house because there are others who wish to speak on this matter, but I do want to say that over the years I think the Canadian Broadcasting Corporation has performed a worth-while service for this country, from the point of view both of amusement and of education. It has raised our appreciation of music and it has brought to us drama such as we never had the opportunity of hearing, not only in our homes but in many of the smaller communities across the country.

I hope the committee to be appointed will go into the affairs of the corporation very thoroughly and will produce a report that will give the broadcasting corporation encouragement, that will help to put it on a better financial footing, and that will enable it to serve the people of Canada even better than it has since it was first established.

Mr. E. G. Hansell (Macleod): Mr. Speaker, I am happy this evening to add my voice to this debate and make some suggestions which I believe are valuable and which may prove of assistance to the committee being set up as it progresses with its work. The other day I was talking with a gentleman about Canadian radio policy and he abhorred the fact that a committee was to be set up at this time. It may surprise you when I tell you that this gentleman is connected with independent radio in Canada. He said to me, "Do you think it is fair to the Massey commission who are sitting to consider this very thing to have a committee of parliament set up now? Would it not be more fair for parliament to wait until the Massey commission has reported and then on the basis of that report let the committee proceed, along with the other work it is expected to do, and bring in its conclusions and recommendations?"

I replied that there had not been a radio committee for the last two or three sessions of parliament and that there had been pressure from different sources, quite often from members of the house, that as the Canadian Broadcasting Corporation is a government corporation—there might be some legal technicality as to whether it is a crown company, but as far as I am concerned it is to all intents and purposes—it was about time that it came under the review of parliament. Then I told this gentleman that the terms of reference of the Massey commission were much broader than the terms of reference of this committee, that the Massey commission were dealing with the arts and sciences.

Mr. Speaker: The other day the question came up as to whether the house should discuss the proceedings which were taking place before the royal commission and I ruled at that time that the proceedings of that royal commission and the evidence given before it should not be discussed in this house.

Mr. Hansell: Thank you. May I point out that I am not discussing the proceedings of the Massey commission; I am simply stating that that commission is doing a job and that the terms of reference of the commission are broader than the terms of reference of the committee. I was simply stating that as an answer to the criticism from a radio man of the setting up of this committee.

I told him that even though certain evidence had been given before the commission it was not likely that when the same people gave evidence before the committee they would change it. I said that in all probability any briefs submitted would be along the same lines. Another point comes to my mind more forcibly since you have raised the point of order. I do hope that anything presented to the radio committee will not be ruled out of order because the commission is sitting.

Overlapping between the two bodies cannot be avoided. I believe the minister should give us assurance that this committee will be completely free to discuss radio policy, no matter whether that policy is before the commission or not. As I said, in all probability any briefs submitted to the committee would be the same in content as those submitted to the commission; but the appraisal of the evidence and the conclusions drawn might differ from any conclusions or recommendations that might be made by the commission itself. So I do not believe this committee should be set up if its hands are going to be tied. That puts the matter in a nutshell as far as I am concerned.

There is another matter I should like to state, since I feel rather keenly about it. We in this corner of the house, and I in particular as a member of other radio committees, have been accused at times of being opposed to the

Canadian Broadcasting Corporation. This is not so. I go a long way with the hon. member for Rosetown-Biggar (Mr. Coldwell) in what he said tonight. We in this corner of the house want to state emphatically that we think the Canadian Broadcasting Corporation have done a good job in many respects. I would compliment them on their efforts to keep the air clean. They have been able to avoid the sensationalism which sometimes characterizes United States radio, and they are to be complimented on that. The hon. member for Rosetown-Biggar referred to Canadian newscasts as compared with United States newscasts, and said that many Americans had complimented him on our news broadcasts. He indicated the reason was that here there was no advertising. I do not know that this is particularly the reason our United States friends may have been impressed by our newscasts. I do not think they object to an advertising plug in the news as much as they object to the sensationalism that characterizes some of the United States newscasts. Some of their commentators like to dig up a lot of dirt and spill it into the ears of the American people. The Canadian Broadcasting Corporation are to be complimented on their attempt to keep the air waves of Canada clean. They do not stand for slander and such things; character assassination is not tolerated.

Mr. Smith (Calgary West): Did you ever listen to Matthew Halton?

Mr. Hansell: I have heard him, but frankly I never tune in particularly to listen to him.

Mr. Smith (Calgary West): The greatest character assassin on the air.

Mr. Hansell: I will let that stand as my hon. friend has stated it. I am not going to make that statement, but since he has done so I am not going to contradict it. I have not heard Matthew Halton deal in that sort of thing because I do not tune in to hear what he says. Frankly, I think he is biased. There is no question in my mind but that the gentleman is a socialist and his commentaries are thereby coloured. That is why I do not listen to him.

Mr. MacInnis: Does that not apply to all speakers?

Mr. Hansell: Perhaps it does, largely. I do not know whether it is possible to get commentators who are not at least slightly biased by their own thinking. It does seem to me that somehow or other—and I know I am criticized when I say this—the corporation has gathered unto itself an over-supply of that type of mentality. That is just by the way; I do not have that in my notes, but it is my reply to the hon. member for Calgary West (Mr. Smith).

The radio corporation, I believe, have been fair in respect to advertising. They have not permitted the sort of advertising in which people vie with one another in price cutting, and so on. I believe that is a good feature, and there are many others. I agree with the hon. member for Rosetown-Biggar with respect to the opera program that is sponsored by the C.B.C., though some advertising firms also have done a good deal along even that line. I might refer to the program known as "Singing Stars of Tomorrow". Opera, I know, is not keenly appreciated by a vast majority of the Canadian public. Just the same it is extremely valuable in the cultural life of our country. I am a bit of an opera fan myself; yet I do not understand one word of the Italian language, I am not a musician, I hardly know one note of music, and I play no instrument. Yet gradually over the years I have become quite an opera fiend in a small way. It is a taste that has to be acquired; and when it is cultivated it is surprising how it will grow on one. Whether or not you understand the words, you get the story, you feel the thrill of the music and the singing.

Well, all that is very complimentary to the Canadian Broadcasting Corporation. We are not opposed to it. We are opposed to some of its policies, and we think perhaps radio itself could be made somewhat freer by a revision of the regulations. We have strongly opposed the principle that the corporation should also be in control of radio in Canada. We do not believe that is a good thing. It does not matter whether it is the C.B.C. or any other crown corporation; the same principle would hold. That is our belief, and we have opposed matters along that line.

In the matter of finance, I am not opposed to the Canadian Broadcasting Corporation being subsidized. I do believe that, working as they are in the commercial field in competition with independent radio stations, they should be able to operate within the confines of their commercial revenue, plus the approximately $5 million a year they receive from radio licences. I do not believe the Canadian Broadcasting Corporation should have to come to the taxpayers for any more money. I may not be an expert at scrutinizing these expenditures, but $5 million is a great deal of money. When that amount is given to the broadcasting corporation, over and above its commercial revenues, I believe that is enough without taking money from the taxpayers.

I should like to say something about the talks department of the Canadian Broadcasting Corporation. I am not doing so in an

overcritical fashion. I would say the same thing if huge networks were under the control of independent radio stations. I do not believe the best way for all shades of public opinion to be expressed over the air is through the channel of any centralized authority. It does not make any difference to me whether it is the Canadian Broadcasting Corporation, or whether it is a network brought into existence by independent radio people. Here we have a committee of men set up. The number is not important; it may be a half dozen or it may be more. This committee of men decides that some topic or other is to the fore, so they should have different views about it expressed. The problem arises as to whom they will ask to express those views. They say, "We will ask Mr. So-and-So, Mr. So-and-So, and Mr. So-and-So; they represent different views, so we will ask them to take part in this particular program."

There is a tendency there to centralize within those few men the opportunity—I am not saying they take advantage of it, but I am saying we reach the danger point when we give a few men the opportunity of channelling or moulding the mentality of the Canadian people. I feel quite keenly about the matter because that involves something going out over the air in respect of which the people have no say as to whether or not they want to hear it.

It may be said that the social credit view is sometimes heard over the air by reason of the fact that this party is asked to take part in these broadcasts. I am not concerned about whether or not my party is asked to express its views. My particular point is that John Doe out at Pumpkin Centre may believe he has some wisdom that is of value to the Canadian people. Has he an opportunity of putting his views before the Canadian people? I know I am perhaps using an extreme illustration. There is no way by which this man can talk to the Canadian people. Nevertheless, he can start in a small way. This is not the function now of the Canadian Broadcasting Corporation. If John Doe of Pumpkin Centre wants to broadcast some of his wisdom, he can go to the local station, which would be an independent station, and say, "I want to talk on the radio." He would be told that the rate was so much. He has to have the money, of course; I know that. We can say what we like, but one cannot do anything in this country without having the money. One cannot eat without having money. After all, perhaps in Pumpkin Centre the rates for the local station would not be very high.

Many people have started in that way. If what they put over the air has any merit at all, it is not long before they are talking over the same station again. If the material has real merit, then the person is speaking over more than one station, or perhaps has a weekly program. Through a natural process that person's ideas take shape and begin to grip the imagination of the people. I believe that is the natural way the thing should develop. Now, I say there is danger in centralizing the authority in the hands of a few. It gives them the opportunity, if they care to take it, of moulding the thinking of the Canadian people.

It is an easy thing to popularize something. As a matter of fact, I suggest that the United Nations organization has been overpopularized. A man almost takes his life in his hands if he says anything against this very august body. Why should that be so? Simply because a mentality has been created among the people that takes it for granted that such an organization is the right thing. Who said it was the right thing? I know I cannot talk about the United Nations tonight, but the United Nations might be a dangerous thing. Because it has been popularized, however, people take it for granted that it is a valuable institution. It might be, but it might also be a dangerous institution. Well, that is the power of radio; that is the power of propaganda. I say to you, therefore, that we do give a tremendous opportunity to a few people by placing the direction of the talks department in their hands.

There are just one or two other things I wish to mention. I should like to say something with respect to the political broadcasts that are given by the various parties in the house. This is not in criticism of the Canadian Broadcasting Corporation particularly, but I believe that the formula now contained in what is generally known as the white paper on political broadcasting should be changed. Even though the Liberal party have such a tremendous majority in this house, I do not believe that they should have the lion's share of radio time.

I understand that the three opposition parties here—the Conservatives, the C.C.F. and the Social Credit party—are in agreement on having that time equally divided among the four parties. If the three parties are agreed to that, then there is only one party that is not agreed to it; and that is the party which, in spite of its majority in the house, were elected by a minority vote of the people of Canada. The question is this. Should those who are elected by a minority vote of the people of Canada have the lion's share of the time on the air? As a matter of fact, I proposed this division of time in the radio committee a year or two ago, and I know

that it might be looked upon as a sort of wild-eyed suggestion. But the fact of the matter is that because the Liberal party have such a big majority, they should have the least time.

What are you putting over when you are putting over talks to the people of Canada? Is the objective of those talks to inform the people of Canada? Are you putting over ideas or are you putting over a party? If you are putting over ideas, then the ideas of the smaller groups are just as valuable, as ideas, as any that the Liberal party may have. Some of us over here, of course, think theirs are far more important; but naturally, there is a difference of opinion there. But it is the new idea that should be propounded and should have at least an equal amount of time in comparison with the ideas that supposedly have already arrived. If the Liberal party have already arrived, then the people have had their ideas already. Why talk any more about it? I suggest that it might be as well if a change were made in the formula by which this radio time is divided up among the political parties.

I come now to television. I appreciate what the hon. member for Rosetown-Biggar (Mr. Coldwell) has said with respect to the power of television, that it might be extremely costly and therefore that only wealthy advertisers would be able to use it. I believe, however, it will be proven that television is tremendously overrated. At the present time it is, of course, a novelty. Anyone first looking at and listening to television will, of course, sit there by the hour. But radio has one advantage over television and it is simply this. The housewife can go about her work in the house and listen to the radio; but she cannot go about her work and listen to and look at television at the same time.

Mr. MacInnis: In order to get more out of your wife, you should not have a television set.

Mr. Hansell: I therefore propose to hon. gentlemen who are married that if they want to get more work out of their wives, they should not instal a television set.

Mr. Knowles: They would have to get an automatic dishwasher and an automatic clothes washer at the same time.

Mr. Hansell: Personally, I like to have the radio on and tuned to a nice musical program; at the same time I find no difficulty in sitting down and reading a book while the radio is playing music to me.

Mr. Smith (Calgary West): Watching your wife work.

Mr. Hansell: No. I do not mind if my wife is right beside me or in a chair not far away, reading a book at the same time. Sometimes I like to read a little bit, and I can do it while the radio is playing sweet music in my ears. But I am going to tell you that you cannot do that and look at television at the same time. Because of its novelty today, the value of television is overrated. I believe that people who instal television sets will not have them turned on nearly as much as they will have their radios on. Advertisers therefore will, to a large extent, stand by the old radios just the same.

Again, if you wish to get the best effect from television, you should not have too much light in the room; and as a rule people do not like to sit in the dark for very long.

Mr. MacInnis: It just depends.

Mr. Hansell: Yes, I know; it all depends on who is there. There is just one other matter I wish to mention in connection with television. I am inclined to think that if the Canadian Broadcasting Corporation would leave the field open to private broadcasters to develop television side by side with the Canadian Broadcasting Corporation, television would come to Canada much more quickly than we think. It is on its way; it is developing fast in the United States; and it would come to Canada much faster than most people think. But of course if other channels are not open for development by private concerns, and if the development is to be confined to the Canadian Broadcasting Corporation, then we may have to wait longer than we otherwise would. I hope that the Canadian Broadcasting Corporation will not seek to monopolize this field. If they permitted private interests to develop a few channels in Canada, I believe that television would come much faster, that even the Canadian Broadcasting Corporation would save a good deal of money and at the same time could still retain the power of regulation as long as radio broadcasting operations were regulated under the C.B.C.

There is one matter in connection with the procedure of the Canadian Broadcasting Corporation in the development of television to which I should like to refer. It has not been mentioned before. I believe the radio committee is entitled to an answer. There

has been some criticism of the Canadian Broadcasting Corporation purchasing its television equipment from the United States when, my information is, it could have obtained the same service, and television equipment that is just as good, from Great Britain. I understand that they could have obtained it just as cheaply. Whether I am right in the information I have I do not know, but I believe the corporation will have to give an answer to that question when the committee is set up.

What they have done is to aggravate, shall I say, our dollar difficulties. They could have conserved some exchange in that way. I shall not say anything more at the moment, but when the minister replies I hope he will give us the absolute assurance that the hands of the committee will be entirely free, and that the cry of sub judice will not come up when we attempt, as it may appear for the moment, to encroach upon the work of the commission which is now working on the matter.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, first may I say I am very happy that the select committee which is to be set up will have power to examine and inquire into the matters and things herein referred to, namely, regulations, revenues, expenditures and development, and to report from time to time their observations and opinions thereon. That is the way a committee should be set up. Any committee of this house set up with power to investigate should also have the power to report.

Mr. McCann: The resolution contains the widest terms of reference that we could give it.

Mr. Diefenbaker: Yes. I now come to the matter raised by the hon. member for Queens (Mr. McLure). There is no necessity of pursuing it much further because I am sure that after the arguments advanced by the hon. gentleman Prince Edward Island will indeed receive representation on this committee.

It has been suggested that provision could be made among the opposition parties' representation. Let me point out that on the committee there are 17 Liberals, 5 Progressive Conservatives, 2 C.C.F. members, and 1 Social Credit member. The five Progressive Conservatives can certainly not be divided among ten provinces. The five are from five different provinces. The two C.C.F. members represent two provinces, and the one Social Credit member represents one province. That being so, the only place in which representation can be assured for all ten provinces is on the government side of the house.

Mr. McCann: We have had no protest from the government members.

Mr. Diefenbaker: No protest is necessary in that regard, because I feel sure that the minister would agree that, regardless of protest, every province should be represented on a committee that is to deal with so important a matter as radio broadcasting throughout Canada.

There are just two matters to which I should like to make brief reference. The minister pointed out that this committee should be free to examine the activities of the corporation. Indeed, it should not be stifled in any way. It should be able to secure all information necessary regarding finances and expenditures to be made by this corporation. The corporation comes before parliament from time to time and asks for financial assistance. I feel that so far as crown corporations and emanations of the crown are concerned, which appear before parliament and ask for money, they should be subject to the fullest possible examination.

Only the other day an answer was given to me indicating a course of action that I think is contrary to good parliamentary procedure. On March 27 I asked certain questions in regard to another crown corporation, or emanation of the crown, namely, the Canadian National Railways. I asked: How many Canadian National employees were retired in each of the years with pensions up to $25 a month, $30 a month and so forth? Then I asked whether any of the officials received a bonus, retirement payment or any allowance additional to or along with the regular retirement pension. The answer was that the management had always taken the position that it would not be in the interests of the company or of its personnel to make public information pertaining to the salary arrangements or remuneration paid to officers. That was not what I asked for. I asked, what was the retirement allowance additional to any bonus that was given?

Mr. Speaker: Order. Is the hon. member referring to proceedings in a committee which has not yet reported?

Mr. Diefenbaker: No, Mr. Speaker. I am referring to an answer to a question that I received in the house on March 27—

Mr. Speaker: I am sorry I interrupted.

Mr. Diefenbaker: —to illustrate my contention that parliament should be furnished with such information. Otherwise parliament is simply in the position of being asked to countenance expenditures, however justifiable or unjustifiable they may be, without having the information upon which to arrive at that decision. I hope that, when this committee is set up, answers such as were given to me on March 27, whereby parliament and I were denied information as to whether retirement bonuses are being granted to officials, will not be given to the members of this committee; for it is a dangerous situation when parliament is asked from time to time to supply money to meet deficits of crown corporations and is not given the right to look into operations such as might be disclosed by a proper answer to a question that is asked, such as the one to which I have made reference.

I come now to the question of television. I do not agree with the hon. member for Macleod (Mr. Hansell) that television is any longer a novelty. Television has been held back in its development in this country by the policy of the C.B.C. to date, as I see it. Television is receiving consideration in the development of stations to operate it in Montreal and Toronto; but elsewhere in this country nothing is being done in that regard. We in western Canada and British Columbia, and others in the maritime provinces, are asking for television. Certainly if it takes $4 million in money collected from the people of Canada to provide television in only two centres, in the central provinces, then the indications are that if it remains a semi-monopoly of the C.B.C. or the government there will not be that development of television in Canada that we should have.

It is not a novelty today in the United States. Indeed, within the last year the number of privately-owned stations there has increased from 680 to 2,316. Great changes have taken place in technical equipment within the last year and a half, and that answers the objections that were prevalent that it was impossible to provide television except in areas within 50 miles of a station. Today plans are being made in the United States to connect stations across the continent by coaxial cable and microwave repeater stations. I feel that every encouragement should be given to private industry operating alongside the C.B.C. to develop television in Canada, for if private industry is not given the opportunity I doubt whether we shall make the advances under this type of broadcasting which characterize portions of the United States where conditions are much the same as they are here.

I believe the experience of the last two years will support the stand taken by the opposition in the committee that, having regard to the disputes which arise from time to time as between the C.B.C. and private corporations, there should be set up in this country a semi-judicial body with powers similar to those of the board of transport commissioners. There is no reason why the Canadian Broadcasting Corporation, which is a competitor of private stations wherever those private stations operate, should be in the position, in the event of a dispute arising over the interpretation of regulations, to demand that such private stations shall submit their case to the competing publicly-owned corporation.

In other words, the C.B.C. is in the position of competitor, judge and jury on matters affecting itself in its relationship with the private corporations. Instances will be brought to the attention of the committee, when it is set up, to establish, from the experience of the last two years, the necessity for the creation of an independent body to adjudicate in respect of disputes that may arise in connection with jurisdiction, or in connection with regulatory disputes as between the C.B.C. and the private broadcasting companies.

In connection with the committee I would make a suggestion to the minister. It is true that the committee has the opportunity of examining the officials of the corporation called before it. I should like to see the briefs these officials intend to present delivered to members of the committee a day or so before the officials of the corporation appear to give their evidence. This would save a lot of time. I am sure the minister will agree that on many occasions we have sat for as long as two or three hours listening to the reading of a brief which, had we seen it in advance, could have been made immediately the subject of examination in respect of those questions in it in which we were particularly interested. We could ourselves have read the brief more expeditiously.

In other words, a brief is merely a guide; it is a submission of all the information available which, in the opinion of the officials of the C.B.C., deserves to be considered by the committee. Why not submit that? Why not let us see it in advance, and thus place

us in a position where we can begin immediately to examine and to do an expeditious job, rather than sit there several days listening to the reading of long screeds which we could read much more carefully and much faster privately.

Originally, and even up to 1938, the understanding was that at no time would the C. B. C. have revenues greater than $500,000 from advertising.

Mr. McCann: Never.

Mr. Diefenbaker: The actual statement of the minister in that regard was that $500,000 was to be the limit on advertising. Today it is almost five times that amount.

Mr. McCann: That was only an expression of opinion by Brockington.

Mr. Diefenbaker: It was more than an expression of opinion. It was accepted by the minister and was also of the essence in setting up the extension of the facilities of the C. B. C.

Mr. Smith (Calgary West): A policy statement.

Mr. Diefenbaker: Yes, as the hon. member for Calgary West says, it was a policy statement. But it is no longer expedient to follow it, and today the advertising—and I am speaking from memory—amounts to about $2,400,000 a year.

Having changed the policy in regard to advertising, there is justification for the wish expressed by the majority of those who have been consulted in a Gallup poll, that the time has come to do away with the licence fee. Only the other day the president of the private broadcasters made the statement that in his opinion this would be done away with in 1951. What justification he had for that statement, I do not know; but I do feel that when parliament is in a position of having to vote money from time to time—and this is a national venture—the time has come to remove the licence fee for private radios.

There are many other pressing matters with which I might deal, but they can be dealt with when the committee is set up. Let me conclude where I began: let us make this a national committee of the House of Commons. I am making an appeal to the minister: let us give representation everywhere, to the end that from this committee there will come a report that indeed will be representative of all parts of Canada.

I hope, too, that we shall not hear the argument raised that many questions which should be dealt with by the committee cannot be dealt with because of the fact that a royal commission is sitting. I am sure the minister will make a statement to that effect; otherwise the committee would be strangled, so far as recommendations are concerned, by the fact that a royal commission is sitting. After all, it is for parliament to determine what is to be done. All a royal commission does is to make recommendations, after hearing the evidence, in order to assist the government of the day and, indirectly, parliament, in arriving at a proper conclusion.

Suggestions have been made that the C.B.C. news service is not always objective. I am not able to speak about the musical end or the drama end of the C.B.C., but as far as the news service is concerned I feel that year in and year out it is fair and reasonable in its objectivity. It could be used as an instrument of propaganda, but while objections will necessarily be raised from time to time I think that the news service, assisted as it is by the Canadian Press and British United Press, is indeed a service of which Canada can be proud.

Reference has been made by people living in border cities to the fact that the news received at intervals over the C.B.C. is up to date and objective and they compare it with the news services in the United States. Those who are engaged in broadcasting the news and preparing it deserve commendation where commendation is indeed earned.

I have heard strong objections to the slanting of news by certain commentators but all I ask is that all sides be represented by commentators on the news or political events.

Mr. Low: With a fair distribution.

Mr. Diefenbaker: If there is a fair distribution there can be no objection. Every one of us has his own prejudices and is biased on certain matters, and, however consciously we may desire to avoid bias, unconsciously we are affected by it. Everything should be done to assure that in the broadcasting of philosophies all sides should be presented by commentators qualified to discuss the news and comment on events.

This is a committee upon which I have sat during the few years I have been in parliament. It is a committee I look forward to sitting on. A great deal of beneficial evidence is presented to the committee. It is an educative committee and one that can do a worth-while work in developing higher standards of art within our country and an appreciation of the better things of life.

Radio Broadcasting

Mr. Herridge: I move the adjournment of the debate.

Mr. McCann: If this motion is not passed tonight it is unlikely that it will be dealt with before the Easter recess. The work to be undertaken immediately following the recess has been indicated so the setting up of the committee will probably be delayed until some time in May. I have been pressing to have the resolution come before the house for a long time and if the setting up of this committee is delayed until on in May I hope the blame will not be placed on this side of the house.

Motion (Mr. Herridge) agreed to and debate adjourned.

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

HOUSE OF COMMONS

Monday, April 3, 1950

The house met at three o'clock.

HOUSE OF COMMONS

VISIT TO GRANBY, QUE., BY MEMBERS OF PARLIAMENT

Mr. J. A. Bradette (Cochrane): Mr. Speaker, on a question of privilege, I ask your indulgence for a few moments in order that I may bring to the attention of the house what we called the "Marcel Boivin trip."

On Thursday afternoon of last week a party consisting of forty-two members of this house, twenty-one of whom were accompanied by their wives, left Ottawa for a three-day trip to Granby, Quebec, the princess city of the eastern townships. In this group every province of Canada was represented, as well as every political party in the federal field. On arriving at our destination we received a civic reception from the nationally known and dynamic mayor of Granby, Mr. P. H. Boivin, who was accompanied by his charming wife and the members of the municipal council. His Worship remained with us throughout the whole of our stay, and his exuberance, his personality, his wide knowledge of affairs in general, his faith in the future of his city, of his province and of Canada, impressed us very much. He also made us familiar with the great progress already made in that area, as well as its hopes and aspirations for the future, with the inevitable problems that have to be faced and solved.

Numerous and extensive visiting tours were well organized, allowing us to visit several industries, such as the Granby Elastic Web, the Verney corporation, the Miner Rubber Company, the Imperial Tobacco Company, the Granby Co-operative, the Racine Manufacturing Company—just to name a few. Everywhere we were received with courtesy, and we were given the opportunity to make a thorough inspection of these plants in full operation. In the course of conversation it was easy to realize the spirit of co-operation and understanding that exists between labour and management, and at every function both were well represented.

The fine hospitality which is always to the fore in the province of Quebec was manifested by our hosts and by everyone else with whom we came in contact. I am convinced that all those who made this trip feel that they know more about their country than they did before.

We were inspired by seeing in practice the real unity of the two parent races, and this was at once made evident by the fact that the population of Granby is made up of twenty per cent of English-speaking descent and eighty per cent of French-speaking descent. Its citizens speak the two official languages of our country.

I also wish to express appreciation to the Canadian Pacific and the Canadian National for the fine service they gave us, which made our trip a most pleasant and comfortable one.

Before resuming my seat there is another pleasant duty that I wish to perform. I know that in doing so I am voicing the sentiments of my colleagues. It is to present to the hon. member for Shefford (Mr. Boivin), and to Mrs. Boivin, our most heartfelt thanks and appreciation for the very efficient manner in which this tour was organized. The full success of the visit was undoubtedly due to the great care the hon. member took in its preparation, and to his constant presence with his guests. His activities, which made this journey possible, enabled us to see the extraordinary strides that have been made in commerce and industry in his home city. There we met a number of able businessmen, who have contributed their talents and courage in the building up of a prosperous business centre. We also readily perceived that the progress they have made is not attributable only to the efforts of a relatively small group; a large part of the credit must go to the persevering work of the whole population, which is proud of its municipality and anxious to see it progressing in every department.

It will always be with pleasure and gratitude that we shall remember those most agreeable and instructive days.

REVISION OF CLASSIFICATION OF HOUSE OFFICIALS —CONCURRENCE IN REPORT TABLED MARCH 31

Hon. Alphonse Fournier (Minister of Public Works): As announced on Friday, Mr. Speaker, I beg leave to move, seconded by the Minister of Labour (Mr. Mitchell):

That the report from the civil service commission respecting the revisions in classification of officials of the House of Commons, tabled on 31st March, 1950, be concurred in.

Mr. Stanley Knowles (Winnipeg North Centre): May I say just a word, Mr. Speaker? I feel sure that all members of the House of Commons will welcome the opportunity to vote for this motion to give effect to the increases and other changes that are set out in the report made by the civil service commission. They are increases that are well deserved, and in many cases long overdue. I shall not make the mistake of referring specifically to any of these that might merit particular attention, because comparisons are unwise to make. I want to express the hope, however, that it will not be long before there will be before the house another report of this kind dealing with employees not covered by this one or by the last one we had, which was laid on the table of the house on April 29, 1948; it is sessional paper 139a of that date.

I could mention one or two of the offices or branches around the building that do not seem to have been considered by way of increases in either of these last two reports. From the study I have made of the various documents in the case, it seems to me that there are still quite a number of subordinate employees who have not had increases that I feel are coming to them. In other words, most of the increases provided for in the report now before us deal with chiefs or assistant chiefs of various branches, although there are included a few subordinate employees who have had a slight upward adjustment.

I want to express the hope—and I am sure that other members will agree with me—that it will not be long before there will be another report of this kind taking care of the needs of some of the other employees. As these changes are made from time to time the employees who are overlooked get the word that their cases will be covered in the next report; then when the next report comes down and they find that they are still not covered, they wonder how long they are going to have to wait.

I fully recognize, Mr. Speaker, the fact that we are dealing in this instance with employees who are permanent and who come under the civil service commission. I fully recognize the fact that this whole business, so far as we have it before us at this time, is beyond the jurisdiction of the officials of the house. It is a civil service matter. When I express the hope that further work will be done on this matter, what I want is that my words and sentiments will be taken note of by the civil service commission, and that they will carry on with the job.

Some hon. Members: Carried.

Mr. Knowles: So far as I am concerned, what they have done thus far is all to the good. These increases are obviously made with the approval of all members in all sections of the house. But let us not forget those who thus far have been forgotten.

Motion agreed to.

NORTH ATLANTIC TREATY

COMMUNIQUE ISSUED BY DEFENCE COMMITTEE AFTER MEETINGS AT THE HAGUE

Hon. Brooke Claxton (Minister of National Defence): Having just returned, Mr. Speaker, from the meetings of the various committees under the North Atlantic treaty which were held at The Hague and were concluded on Saturday night, I thought the house would like to have presented to it the communiqué issued by the defence committee after it had been approved by the committee at its meeting Saturday evening. It is as follows:

The defence committee of the North Atlantic treaty organization held its third meeting on April 1, 1950, at Juliana barracks, The Hague, The Netherlands, at 10 a.m.

The purpose of the meeting was to consider the work that has been accomplished by the military committee and the military production and supply board since the second meeting of the defence ministers in Paris on December 1, 1949.

The delegates attending the meeting were as follows:

Belgium, Mr. Albert Deveze, Minister of Defence; Canada, Hon. Brooke Claxton, Minister of Defence; Denmark, Mr. Rasmus Hansen, Minister of Defence; France, Mr. Rene Pleven, Minister of Defence; Italy, Mr. Randolfo Pacciardi, Minister of Defence; Luxembourg, Mr. Pierre Dupong, Minister of State; The Netherlands, Mr. W. F. Schokking, Minister of Navy and War; Norway, Mr. Jens Christian Hauge, Minister of Defence; Portugal, Captain Americo Deus Rodrigues Thomaz, Minister of Marine; United Kingdom, Right Hon. E. Shinwell, Minister of Defence; United States, Hon. Louis Johnson, Secretary of Defence.

At the Paris meeting in December the defence committee approved a broad strategic concept which was later adopted by the Atlantic council in January and directed the preparation of plans for the defence of the North Atlantic treaty area.

At its meeting the defence ministers unanimously approved the plan for collective self-defence that was recommended by the chiefs of staff in the military committee earlier in the week.

Within a short space of six months the military planning organization has determined the general strategy of defence of the North Atlantic treaty area, has prepared an estimate of the military situation if any attack be launched against the treaty nations, and has prepared plans for defence against such an aggression should it occur. These plans call for an integrated defence of the entire north Atlantic area as distinguished from individual national defence. Each nation, in accordance with article III of the treaty, will help itself and the others in accordance with its available resources. Thus, for the first time, twelve independent and sovereign nations have achieved, through the democratic process of co-operation, a system for defending themselves and each other.

The defence ministers acknowledged the speed with which the regional planning groups, the standing group and the military committee, achieved the

first basis for their plans. At the same time they directed that the plans be kept under continuous review.

They concerned themselves in particular with the role to be played by the military production and supply board which would insure the most efficient employment of the funds which are appropriated in each nation for military production, and they gave specific directives to this board to implement standardization of equipment and to insure a co-ordinated production.

The defence ministers recognized the great importance of adequate financing to carry out the plan and the need for careful balancing of the respective national economies in the light of the present world situation. For this purpose they requested the defence finance and economic committee to survey the financial and economic potentialities available for defence purposes.

Although considerable progress has been made since their last meeting in the attainment of collective security, which is the common goal of the Atlantic treaty nations, the ministers recognize that further sustained effort will be required. They adjourned with the strengthened conviction that the organization being set up would allow the countries to insure their defence both economically and efficiently.

Mr. Louis Johnson, United States Secretary of Defence, served as chairman of the meeting, and he expressed the gratitude of the committee to The Netherlands government for the kind invitation to meet in The Hague and the hospitality provided.

The time and place for the next meeting will be determined as events require.

That concludes the communiqué that was approved. I should like to add that in warmth of welcome, hospitality, and the excellence of the arrangements, the government and people of The Netherlands did everything possible for the success of the meeting. Their attitude also showed that the name of Canada still continues to stand high in the hearts and minds of the people and government of that friendly nation.

I should like to say also, Mr. Speaker, that in this connection there is a report appearing in the press of today under a Canadian Press dateline, referring to an Associated Press story, which reads:

The AP story added:

"The Canadians felt they were not getting enough information on technical advances because of a road-block between the Pentagon in Washington and London."

I want to make it perfectly clear that nothing like this was said by any member of the Canadian delegation at The Hague, and that nothing like this was felt. Our arrangements for securing information, either from the United States or from the United Kingdom, in our minds leave nothing whatever to be desired. We are completely satisfied with them. Any suggestion to the contrary is based on a misunderstanding of the situation.

Finally, I should like to say that these meetings at The Hague presented us with an opportunity to discuss with the representatives of the countries there the offer that we had made to their representatives here on the 16th of March, under which we would train a hundred aircrew and a hundred and fifty army personnel. At The Hague we put before their chiefs of staff memoranda giving details of these proposals, which enabled us to discuss them there; and I have the greatest possible pleasure in telling the house that the reception given to those proposals was very enthusiastic indeed. There is no doubt that with courses that we are giving from June and July on, but mostly starting with the air force toward the end of August and for the army in September, we shall expect to have sufficient applicants, from the various countries desirous of sending officers to train with us, to fill up all the vacancies. It was indicated in the course of our discussion that the plans did give rise to the discussion of rather similar arrangements being developed in other directions; therefore in this we may have started something which may prove to be much larger than the plan itself.

Mr. Pearkes: Will the minister permit one question? First of all, may I congratulate him upon his safe return after a speedy trip across the ocean. My question is: Can the minister say whether Canada has accepted any commitments other than merely the training of the aircrew and army personnel to which he referred?

Mr. Claxton: I thank the hon. member for Nanaimo for his very kind welcome. The situation regarding commitments is as described in the statement I gave on March 17. We have our obligations under the treaty. The only additional obligation is the offer I have made, which is in course of being accepted, for the training of army personnel and aircrew. There are no other specific commitments.

Mr. Green: May I ask the minister whether there were any discussions, formal or informal, as to the possibility of a defence pact for the Pacific?

Mr. Claxton: No; none whatever.

INTERNATIONAL ECONOMIC POLICIES—ECONOMIC COLLABORATION

Mr. M. J. Coldwell (Rosetown-Biggar): Perhaps at this point I might be permitted to ask a question, notice of which I sent to the Secretary of State for External Affairs, because it bears on the matter which was the subject of the minister's statement. In the joint communiqué which the minister has just read, it was indicated that a plan of integrated action had been adopted. The question I should like to ask of the government is this: To what extent, if any, have similar definite steps been taken under article

II of the treaty to eliminate conflict in international economic policies and to encourage economic collaboration among the members of the alliance as set forth in the treaty?

Hon. Brooke Claxton (Acting Secretary of State for External Affairs): Mr. Speaker, I had not seen the question before, but in the absence of the Secretary of State for External Affairs, to whom it should be directed, I may answer as Acting Secretary of State for External Affairs. I can tell the hon. member and the house that, as he and the house know, Canada has taken a very keen interest in this particular article and contributed a good deal to its acceptance in its present form. Our hope and expectation is that at the next meeting of the North Atlantic council—that is, the council of foreign ministers—this matter will receive consideration. But at the meetings of the defence ministers, as the communiqué I mentioned indicates, economic and financial considerations were taken into account as well as purely military considerations.

Mr. Coldwell: I understand that the financial arrangements referred to military commitments.

Mr. Claxton: So far, yes.

Mr. Coldwell: Nothing has been done under article II?

Mr. Claxton: We hope that will be a further development.

RAILWAYS AND SHIPPING

CHANGE IN PERSONNEL OF SPECIAL COMMITTEE

Mr. W. G. Weir (Portage-Neepawa) moved:

That the name of Mr. Howe be substituted for that of Mr. Picard on the special committee on railways and shipping.

Motion agreed to.

APPLES

ANNOUNCEMENT OF FEDERAL CONTRIBUTION TO BRITISH COLUMBIA AND NOVA SCOTIA GROWERS

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): Mr. Speaker, numerous inquiries came to the government from the province of British Columbia, from hon. members from British Columbia and also from Nova Scotia, in respect of the apple growers of these two provinces. I should like to make an announcement, and this is the way I shall do it. I shall read two letters sent out by the Minister of Agriculture to the presidents of the associations concerned in British Columbia and Nova Scotia.

[Mr. Coldwell.]

Mr. Drew: Does it give the date of the by-election?

Mr. McCubbin: The first letter is as follows:

Mr. A. K. Loyd,
President, British Columbia
Tree Fruits, Ltd.,
Kelowna, B.C.

Dear Mr. Loyd,

I have placed before my colleagues in the cabinet your request for assistance for the apple growers of British Columbia to supplement returns received for their 1949 apple crop. I am pleased to inform you that the government, after a full and thorough investigation into the marketing of the current Canadian apple crop, has approved a contribution of $2 million for the benefit of the growers represented by the British Columbia Tree Fruits Limited.

The very large special grants that have been paid by the government during the war and post-war years to the apple industry of British Columbia and Nova Scotia have been in recognition of the difficulties which the war produced for the apple export trade.

The government has decided, therefore, that, after this grant of $2 million, no further assistance can be provided on account of the special difficulties of the industry in the United Kingdom market.

Your sincerely,
James G. Gardiner

I shall now read the letter to Mr. R. D. Sutton, chairman of the Nova Scotia apple marketing board.

Mr. Graydon: This is where it comes in.

Mr. McCubbin: The letter is as follows:

R. D. Sutton, Esq.,
Chairman,
Nova Scotia Apple Marketing Board.
Kentville, N.S.

Dear Mr. Sutton:

I have placed before my colleagues in the cabinet your request of February 3, 1950, for assistance for the apple growers of Nova Scotia to supplement returns received for their 1949 apple crop. I am pleased to inform you that the government, after a full and thorough investigation into the marketing of the current Canadian apple crop, has approved a contribution of $500,000 for the benefit of the growers represented by the Nova Scotia apple marketing board.

The very large special grants that have been paid by the government during the war and post-war years have been in recognition of the difficulties which the war produced for the apple industry of Nova Scotia with its historical relationship to external markets, particularly that in the United Kingdom. The tree-pulling program has been a parallel measure of government assistance to aid in the adjustment from pre-war to post-war conditions. Both programs have been part of the special measures that have been undertaken to facilitate an orderly adjustment to post-war conditions. The controls on transportation, production, supplies, prices and other things have gradually been brought to an end in accordance with the declared policy of the government. Wartime price and income subsidies have been progressively eliminated. The special assistance that has been provided to the Nova Scotia apple industry has been generous, because the government has been aware of the extent of the adjustment that had to be made to meet the new conditions since the war.

The government has decided, therefore, that, after this grant of $500,000, no further assistance can be provided on account of the special difficulties of the industry in the United Kingdom market.

Yours sincerely,

James G. Gardiner

Mr. Kirk (Digby-Yarmouth): It was difficult to hear all that the parliamentary assistant to the Minister of Agriculture said. I did understand him to say, however, there would be no further special assistance to the industry in Nova Scotia. Do I understand that the apple growers of Nova Scotia will still be entitled to assistance under the acts which are already on the statute book, such as the Agricultural Prices Support Act?

Mr. McCubbin: The answer is yes.

Mr. Fulton: May I ask the parliamentary assistant if it is intended that this payment of $2 million to the British Columbia apple growers will be handled by making payment to British Columbia Tree Fruits Limited and then allowing them to disburse it to their growers in the ordinary way?

Mr. McCubbin: That is the intention. The money will go to the growers themselves, through their organization.

Mr. Fulton: Through British Columbia Tree Fruits Limited.

Mr. McCubbin: Yes.

Mr. Ferguson: I should like to ask a question in this connection. Since the finest apples in the world are grown in Ontario, and there are two by-elections coming in that province, could you make Ontario a small offer?

Mr. Knowles: They will hand out plenty of applesauce during the by-elections.

Mr. McCubbin: If I thought the Ontario apple producers needed it, they would certainly get it.

Mr. Drew: They certainly would if there were any apple orchards in those two constituencies.

Mr. Herridge: Does the $2 million mentioned as being assistance to the fruit industry of British Columbia also include assistance contemplated in respect to the million boxes of apples donated to Great Britain?

Mr. McCubbin: No, I do not think so.

Mr. Fulton: May I ask a supplementary question? Will the minister say—

Mr. Howe: This is not the question period.

Mr. Fulton: Will the minister say whether he has taken note of the statement of the Minister of Trade and Commerce that apples are not a food?

Some hon. Members: Answer.

Mr. Isnor: Like the hon. member for Digby-Yarmouth (Mr. Kirk), I was unable to follow as clearly as I would have liked the statement made by the parliamentary assistant to the Minister of Agriculture in respect to assistance for the apple industry. As I recall it, the figure quoted was $500,000 as assistance to the apple growers of the Annapolis valley. Is the parliamentary assistant in a position to indicate the total amount by way of assistance that has been given to the apple growers of that district?

Mr. McCubbin: I speak subject to correction, but during the last number of years the amount paid out has been in the neighbourhood of $18 million.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 84, respecting United Grain Growers Limited.—Mr. Weir.

Bill No. 85, to incorporate Ukrainian National Federation of Canada.—Mr. Maybank.

THE REGULATIONS ACT

PROVISION FOR UNIFORM SYSTEM OF PUBLISHING REGULATIONS AND LAYING THEM BEFORE PARLIAMENT

Right Hon. C. D. Howe (for the Prime Minister) moved the first reading of Bill No. 89 (from the Senate), to provide for the publication of statutory regulations.

Motion agreed to and bill read the first time.

NORTHWEST TERRITORIES

POWER COMMISSION—EXTENSION OF ACT OF 1947-48 TO YUKON TERRITORY

Right Hon. C. D. Howe (for the Minister of Resources and Development) moved the first reading of Bill No. 90 (from the Senate), to amend the Northwest Territories Power Commission Act.

Motion agreed to and bill read the first time.

BUTTER

PRICE FOR SALE BY GOVERNMENT IN DOMESTIC MARKET

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, I should like to ask a question of the parliamentary assistant to the Minister of Agriculture. Is the government prepared to sell butter to Canadian citizens at the lowest price at which it is prepared to sell butter abroad?

Inquiries of the Ministry

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): I thank the hon. member for giving notice of his question. The answer is no.

INCOME TAX

CONDITIONS AT PETERBOROUGH OFFICE—REQUEST FOR ADDITIONAL STAFF

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to ask a question of the Minister of National Revenue. On Saturday I was in the temporary branch office of the income tax division in Peterborough. I know the minister would like to help in this connection. I found there over fifty people standing in line, waiting to have their income tax returns checked. There were six in the office, but only one man available to check. That one man was doing his best.

Mr. Howe: That is not a question.

Mr. Fraser: My question is this: Will the minister see if he cannot get sufficient staff in that office on Saturdays, when farmers and others come in from the countryside? The office serves an area of eighty or ninety miles around. I would ask the minister to see that these people are properly served.

Mr. Sinnott: Tell them to come on Friday.

Hon. J. J. McCann (Minister of National Revenue): I am glad to hear that there is such a rush to pay income tax in the vicinity of Peterborough. I shall bring the matter to the attention of the officials of the department, with a view to giving the most satisfactory service we can with the staff we have available there.

Mr. Fraser: I wish to thank the minister. I believe it is partly because of the advertising that they are coming in early like this; and of course Peterborough is always on time.

THE SENATE

QUESTIONS AS TO PLANS FOR REFORM

On the orders of the day:

Mr. Gordon Graydon (Peel): Mr. Speaker, I should like to ask a question of the acting leader of the government. Are the remarks made by the leader of the government in the other place on Friday to be taken to mean that the government is embarking upon a plan for Senate reform to be submitted to the dominion-provincial conference in the fall?

Right Hon. C. D. Howe (Acting Prime Minister): Mr. Speaker, I do not follow the debates in the other place, and I am not aware of what my hon. friend is talking about.

[Mr. Stewart (Winnipeg North).]

JUDGES

REFERENCE TO REPORT AS TO COMPULSORY RETIREMENT AT SEVENTY-FIVE

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, perhaps the Minister of Justice can clarify the matter I shall bring to his attention. It is reported that the government leader in the other place said that from now on members of the superior courts in the provinces may be subject to compulsory retirement at seventy-five.

Mr. Howe: I suggest that this is out of order. It is not within the rules to refer to the debates in the other place.

Mr. Speaker: I would ask the hon. member for Lake Centre not to refer further to the debate in the Senate. He bases his question upon a statement there. He should ask his question.

Mr. Diefenbaker: I will just ask it in this way: From now on are judges to be retired at seventy-five, and are future appointments to be subject to retirement at that age?

Hon. Stuart S. Garson (Minister of Justice): I should not be surprised at this question being asked by a lay member of the House of Commons, but I am surprised that a lawyer should ask it.

An hon. Member: Answer.

Mr. Garson: I am sure my hon. friend must know that the reason why judges of provincial courts cannot be called upon to retire at the age of seventy-five is that there is a provision in the British North America Act which prevents it.

Mr. Diefenbaker: If I may be allowed—

Some hon. Members: Order.

Mr. Diefenbaker: —to speak on a question of privilege, since the minister went outside the ambit of my question, may I ask whether the British North America Act is to be amended by parliament to make such a provision?

PRIVATE BILLS

PRAIRIE TRANSMISSION LINES LIMITED

The house resumed, from Friday, March 24, consideration of the motion of Mr. Benidickson for the second reading of Bill No. 9, to incorporate Prairie Transmission Lines Limited, and the motion of Mr. Macdonald (Edmonton East): "That this question be now put".

Mr. W. J. Browne (St. John's West): Mr. Speaker, when this bill was last before the house I was congratulating the government of

Alberta upon its good fortune in having had such valuable discoveries of oil and natural gas within the boundaries of that province and I was pointing out the increasing use to which these commodities are being put in modern life. Both oil and gas are becoming very popular for household use. There is not a house on the street on which I live in St. John's that does not use oil, and no doubt other hon. members can say the same of their own communities. Within a short time it is likely that oil will completely displace coal as household fuel.

Where there is a large supply of natural gas, as there is in Alberta and Saskatchewan and in many portions of the United States, it seems to be more popular than oil, not only for household but for industrial purposes. Gas has supplanted coal for a number of uses. For a while in Alberta it was used to manufacture gasoline and alcohols and many other by-products. In the field of transportation, from the motorboat of the fisherman to the motorcar of the ordinary citizen, to the great locomotives and even the large steamships, oil is now almost generally supplanting coal.

The importance to Canada of these valuable discoveries can hardly be overestimated. Remarkable developments have taken place within such a short time and are bound to bring with them industrial developments of a scope never contemplated by the government of that province a few years ago.

This is a private bill which seeks certain concessions. It looks innocent enough, but the fact is that it has to do with the transmission of both oil and gas to various places outside Alberta. One wonders why this bill has aroused so much opposition. As I see it, the opposition is due to the fact that there is no provision in the bill which would prevent the promoters or the directors of the company from exporting gas or oil to the United States when the needs of provinces of Canada other than Alberta are not satisfied.

I am aware that the Minister of Trade and Commerce (Mr. Howe) has said that he has the assurance of the sponsors that they will undertake to have this line built through Canada. If that is so, why should there not be a provision in the bill to that effect? If that provision had been in the bill there would not have been the opposition there has been to this measure.

It has been asked what this bill will mean to the people of eastern Canada. They want to know if it will mean cheaper gas. People are naturally interested in getting cheaper gasoline for their motorcars, cheaper oil for their homes, cheaper gasoline and kerosene for their fishing schooners and motorboats. If the price is to be determined by the supply, and a lot of oil is brought to the surface in Alberta, it will mean reduced importations from the United States, with the result—this has already happened in the prairie provinces—that the price of gas and oil will be reduced for other users.

Transportation by pipe line is much cheaper than by tank car. Anyone requiring gas or oil for domestic or industrial purposes along the route of the pipe line through which gas or oil is being transported will be able to benefit through the decreased cost of transportation. I understand that it will cost 55 cents a barrel to bring oil from the neighbourhood of Calgary to the head of the lakes by pipe line, whereas it costs $1.68 per barrel to transport it by tank car.

Since the last time we discussed this measure I have been reading *Industrial Canada* to see what the latest news was on the developments in Alberta. I found that the president of the Canadian Manufacturers Association had been holding meetings in different cities in Alberta and had made some important statements about the future of that province and the cities he was visiting. I should like to quote from this magazine, the issue of March, 1950, at page 57, where reference is made to Alberta's oil production. The president of the Canadian Manufacturers Association said:

> In this part of the country, however, we have been abundantly blessed in many different ways. Our manufacturing production is increasing. Medicine Hat, rural and urban, has a gross value in excess of $16 million. The Alberta oil and gas industry has already uncovered natural resources worth at least two and one-half billion dollars, despite the fact that it has so far completed only a minute fraction of the ultimate thorough exploration job. This is quickly resulting in the elimination of the greatest single drain on Canada's United States dollar supply and the achievement by Canada of a long term favourable "balance of trade". This augurs well for the future of our well-endowed province.

Speaking at Edmonton, Mr. Carry, chairman of the Edmonton branch of the Canadian Manufacturers Association, said:

> . . . a new wave of prosperity will flood Edmonton district and the west as a result of industrial stimulation provided by oil discoveries.

Mr. East, the national president, said:

> . . . I will not dwell at length on the Alberta oil situation, other than to say that by and through Alberta's oil production programming, coupled with Alberta's outstanding diversified economy, the future is indeed one of the brightest for any province in the entire dominion.
>
> It is, however, stimulating to all Canadians to pause for a moment to consider the progress made during the last year alone in some of the major enterprises in Edmonton and district. Oil brought more than one hundred new businesses to the city of Edmonton last year, as compared with fifty in 1948. Nine major industrial concerns committed themselves to multi-million dollar construction programs for the year 1950. Four of these projects alone

will require investments in capital construction amounting to about $35 million. Furthermore, about three-quarters of the oil wells in Alberta are in the general Edmonton area. In addition, Edmonton is only forty-five miles from the Redwater field, considered to be the greatest oil field discovered anywhere in the world in recent years.

I have quoted these statements by the president of the Canadian Manufacturers Association to show how important these discoveries are, and how important it is that at the very beginning this development should be conducted along the right lines. According to recent figures, we know that they have discovered in Alberta enough oil and gas to give them a reserve for ninety years. They have seven trillion cubic feet of gas. I should like to point out that that amount of gas is only equal to the annual consumption in the United States. Of course we know that it is only at the beginning so far as Alberta is concerned, but production in Canada is still far behind that of the United States.

I wonder whether anyone has estimated whether it would be better for Canada to export directly from the area around Calgary and Edmonton to the western section of the United States and then carry the gas to Vancouver, and import gas and oil in other areas, or to retain the gas and oil within Canada first and export it from Vancouver to the cities of the western United States. As I understand it, there are four principal steps in getting oil and gas to the consumer. They are—after prospecting—production, refining, transportation and distribution. The other evening I quoted from a book entitled "A National Policy for the Oil Industry." I quote now from page 58:

The struggle over pipe line policy has been going on for several generations. Control of transportation facilities was John D. Rockefeller's key weapon, and the strategic importance of transportation has not declined in the oil industry.

The author goes on to deal with the trouble and confusion into which the oil industry managed to get in the United States because it did not have proper legislation when it began. I believe that the government of the province of Alberta is going to profit by the mistakes made in the United States; but just to show how serious the mistakes might be I should like to point out that it was decided by the Hepburn act of 1906 that pipe lines were common carriers. There was a test of what they could do and what their powers were. The case went to the court and was buried in consideration by the interstate commerce commission. At page 59 the author of the book I have cited said:

After a generation or more of prodding, the interstate commerce commission began its investigation of the petroleum pipe line situation in 1934, and presented its first report in 1940.

That was six years afterwards. The report was not a final order; they reported again in 1944, and that is the last that has been heard of it. It seems to me that it would be a wise course for the country to take the utmost precautions at the beginning of the development to see that legislation governing the transportation of gas and oil is on a sound basis. I believe a Liberal member on this side of the house stated that he was in favour of the bill because the opposition seemed to be in favour of a monopoly. As I understand it, the opposition is not in favour of a monopoly, but favours a policy of safeguarding the interests of the western provinces before gas is exported to the United States. That is a position which everyone can understand, and to which I believe no one in the United States can raise any objection.

The United States have very much larger gas reserves than Canada, and they have oil. The Standard Oil Company of California is one of their largest companies, much larger than all the companies in Canada put together. It is in a position to export oil to the New England states. Therefore the disadvantages which the northwestern states would suffer by reason of not being served first with this pipe line would not be as serious as the disadvantages of the provinces in the western part of Canada if the line does not pass through them.

I agree that gas and oil are commodities which, like water, could be the subject of a monopoly. Not everyone can have a pipe line, although in the United States there are twenty or thirty trunk lines, as well as numerous branch lines. It seems to me that this is the time to insist that the right legislation and the right conditions should be laid down for the transportation of both oil and gas. In connection with another measure of the same sort, the hon. member for Winnipeg North Centre (Mr. Knowles) stated that two sessions ago when it was introduced into the house the promise was made that the company would not export oil to the United States before the needs of Canada were satisfied. He stated the other night that it was because of that promise not being kept, because the line is to be built through the United States, that he is opposed to this bill.

In the last session, in moving the second reading of the bill to incorporate the Alberta Natural Gas Company, the hon. member for

Winnipeg South Centre (Mr. Maybank) said he noticed for the first time that the powers sought by the company included the right to export gas outside of Canada. It seems to me that no member, not even a minister of the crown, can give assurances as to what a private company may or may not do. That is laid down by law, and I should like to draw the attention of hon. members to what the law is in this respect.

In the first place I should like to say that there is the Pipe Lines Act of 1949, with which most hon. members are familiar. In my reading of that act, it seems to me there is no power to prevent a company from transporting gas or oil across the border to the United States. In fact, it seems to me that act gives it the power to do so.

According to sections 9, 11 and 12, a company wishing to build a transmission line must make application to the board of transport commissioners, bring in its various plans to show where the line is to be constructed, and if other conditions are satisfactory, it is then entitled to a permit to construct the line. That, of course, is not the only procedure through which it has to go. Whilst dealing with this act, I should like to draw attention to the difference in treatment between oil lines and gas lines as found in parts II and III of this act. Those who have oil transmission lines may be declared common carriers under section 39, but there is no such provision covering gas lines.

I am aware that, in addition to those provisions governing the matter, there is also the petroleum and natural gas board of Alberta. If a company makes application to that board and receives favourable consideration, the board will report to the government of the province of Alberta, which government would have the last word. The premier of that province has stated a policy, which I think has been read here before, and which briefly consists in prohibiting any export until the needs of the province of Alberta are satisfied, not only its present needs but its long-term needs. After that, if it is satisfied that a surplus exists over and above those requirements sufficient to justify export under sound conservation practices, the government will approve the export of such surplus, with each application being considered on its own merits and in the light of all the prevailing factors. It will be a condition of each export permit that the Canadian requirements must be given priority. The member for Kamloops (Mr. Fulton) has dealt with that situation, and has pointed out that it may not be considered within the powers of the government of Alberta to say whether or not gas can be exported.

There is on the statute books another act which was brought to our attention by the Minister of Trade and Commerce (Mr. Howe), the Electricity and Fluid Exportation Act. According to that act the governor in council may make regulations or may grant a licence for export, but I understand the Minister of Trade and Commerce is the one who passes upon that.

I believe I have said sufficient for hon. members to realize that this is a most important subject. The value of this pipe line, not only to the province but to Canada in earning and saving United States dollars, as well as the industries it is going to establish, justifies giving serious consideration to it. I suggest that United States interests will not be jeopardized, and in addition that an examination of the map published in the pamphlet entitled "Natural Gas in Alberta and British Columbia" at pages 10 and 11, would seem to indicate that the chief discoveries in Alberta now centre around Edmonton. The distance a transmission line would have to traverse from there to Vancouver would be shorter than the route through the United States to the cities of Seattle and Portland on the Pacific Coast.

There may be, of course, some reason why it may be more expensive to construct such a line, but I am informed and believe that that route, which has been advocated by so many members on this side of the house, would be preferable to the other route. Other hon. members have argued that the Canadian route will be of special benefit to the cities and towns along its course, and afford those towns opportunities which might otherwise never be given to them. I know that some hon. members are weary of hearing that statement repeated, but is there anything unsound or anything that is not sensible in it? The member for Kamloops has said that if the route does not go through the Kamloops district it is unlikely that gas would be brought up there at any time. Since the advantage of having a gas line to serve these towns is a tremendous one, I believe all hon. members should give serious consideration to the necessity of inserting a provision in this bill to make sure the pipe line does serve that part of the country.

The hon. member for Kamloops also told us of a resolution passed by the British Columbia legislature, to the effect that it would like to see this pipe line go through the province of British Columbia before it goes to the United States. I feel sure the government of the province of Alberta will find it difficult to turn a deaf ear to such a plea. If unity in Canada is to have the meaning

it should have, then a request by the government of one province for such a reasonable measure should meet with a favourable response. If the pipe line is built as requested, it will mean a great deal to the unity and solidarity of the nation. I trust, therefore, that other hon. members will feel, as we do, that this line should go through British Columbia first and may afterwards be continued to the United States. Perhaps the quantity of oil and gas in the province of Alberta will prove so extensive when further discoveries are made that it will be feasible to have another line go south to the United States.

Other features in connection with the construction of the transmission line have not been neglected by previous speakers. The employment provided by the construction of the line, and the furnishing of the pipes, will mean a lot to the people of Canada at a time when unemployment is greater than it has been in any year since before the war. The money will go back into the steel mills and to the iron ore mines. Since the hon. member for St. John's East (Mr. Higgins) represents a constituency in which iron ore is found, we trust that industry will receive some benefit.

The other day I noticed an article which spoke of the benefit that would come from the development of the iron ore mines in Quebec. It stated that storage tanks had been built at Seven Islands to contain a million gallons of gasoline. It will be seen, therefore, that all parts of the country benefit from these developments. In conclusion, Mr. Speaker, I trust that the Canadian route, which should prove to be popular with all Canadians, and which has been endorsed by the people in the western provinces, will receive the endorsement of hon. members of this house.

Mr. Ralph Maybank (Winnipeg South Centre): Mr. Speaker, I have not spoken upon this bill, but I should like to make a few remarks with reference to the question at issue. As the house knows, I am the sponsor of another bill which is similar in nature to this one. More members have spoken upon it than upon this one. There is some possibility of its getting second reading before Easter. While I should desire to make some more extended remarks upon the bill before the house at the present time, it is not convenient at this moment to do so. If the house will agree, I would move, seconded by the hon. member for Leeds (Mr. Fulford), that the debate be adjourned.

[Mr. Browne (St. John's West).]

Mr. Speaker: Mr. Maybank moves, seconded by the hon. member for Leeds (Mr. Fulford), that this debate be now adjourned. Is it the pleasure of the house to adopt the motion?

Some hon. Members: Carried.

Mr. Green: No. Will you call for the yeas and nays, Mr. Speaker?

Mr. Speaker: Those in favour of adopting the motion will please say "yea".

Some hon. Members: Yea.

Mr. Speaker: Those contrary will say "nay".

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

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

YEAS

Messrs:

Abbott	Gauthier (Lake St. John)
Anderson	Gauthier (Sudbury)
Applewhaite	Gauthier (Lapointe)
Arsenault	Gauthier (Portneuf)
Ashbourne	George
Bater	Gibson
Belzile	Gingues
Bennett	Goode
Bertrand	Gour (Russell)
Blanchette	Gourd (Chapleau)
Blue	Gregg
Boisvert	Hansell
Boivin	Harris (Grey-Bruce)
Boucher	Harrison
Bourget	Healy
Bradette	Hellyer
Bradley	Helme
Brisson	Henderson
Brown (Essex West)	Henry
Campney	Hetland
Carter	Howe
Cavers	Huffman
Chevrier	Isnor
Clark	James
Claxton	Jeffery
Cleaver	Jutras
Cloutier	Kickham
Corry	Kirk (Digby-Yarmouth)
Cote (Matapedia-Matane)	Lafontaine
Cote (Verdun-La Salle)	Laing
Croll	Langlois (Gaspe)
Darroch	Lapointe
Dechene	Larson
Decore	Lefrancois
Dewar	Leger
Dion	Lesage
Douglas	Little
Dumas	Low
Eyre	Macdonald (Edmonton East)
Fair	MacDougall
Fauteux	MacKenzie
Ferrie	MacNaught
Fournier (Hull)	Macnaughton
Fulford	McCann
Garland	McCubbin
Garson	

McCulloch	Robinson
McCusker	Rooney
McIvor	Shaw
McLean (Huron-Perth)	Sinnott
McWilliam	Smith (Queens-Shelburne)
Major	Smith (Moose Mountain)
Masse	Stick
Martin	Stuart (Charlotte)
Matthews	Studer
Maybank	Thomson
Mitchell	Viau
Murray (Oxford)	Ward
Murray (Cariboo)	Warren
Mutch	Weir
Pinard	Welbourn
Pouliot	Whiteside
Power	Whitman
Prudham	Winkler
Richard (Gloucester)	Wood
Riley	Wylie—132.
Robertson	

NAYS

Messrs:

Balcer	Hatfield
Blair	Herridge
Brooks	Higgins
Browne (St. John's West)	Hodgson
Bryce	Homuth
Casselman	Jones
Catherwood	Knight
Charlton	Knowles
Coldwell	Macdonnell (Greenwood)
Courtemanche	MacInnis
Coyle	McGregor
Diefenbaker	McLure
Drew	Noseworthy
Ferguson	Pearkes
Fleming	Smith (Calgary West)
Fraser	Stewart (Winnipeg North)
Fulton	Tustin
Gillis	White (Hastings-Peterborough)
Graydon	White (Middlesex East)
Green	—40.
Harkness	

On motion of Mr. Maybank the debate was adjourned.

Mr. Harris (Danforth): This looks like a private government measure. Had I voted, I would have voted against it, and spoken against it. Inasmuch as I am paired with the hon. member for Waterloo North (Mr. Breithaupt)—

Mr. Speaker: Order. The next order of business.

ALBERTA NATURAL GAS COMPANY

The house resumed, from Friday, March 31, consideration of the motion of Mr. Maybank for the second reading of Bill No. 7, respecting Alberta Natural Gas Company, and the motion of Mr. MacDougall: "That this question be now put."

Mr. J. S. Sinnott (Springfield): Mr. Speaker, I wish to thank hon. members for having passed the motion, thereby giving me an opportunity to speak on this bill. As hon. members will recall, at four minutes to nine on Friday night I rose in my place to take part in this pipe lines debate. This will be the fourteenth hour of debate on these pipeline bills during this session.

I said on Friday night that I was in favour of an all-Canadian route. I also said that I thought Canadians were capable of manufacturing the materials for such a pipe line. I think all hon. members would like to see an all-Canadian route. At the same time I believe we are interested, in the debate, in looking at both sides of the picture. I believe Canadians as a whole would like to see their own country helped as much as possible, and I am sure those people residing in British Columbia would like to have this all-important pipe line run through their province, so that industrial and heating facilities may be more readily obtainable.

On Friday last I held in my hand a pamphlet distributed by the Westcoast Transmission Company Limited, mapping a route from Edmonton through to Jasper, through the Yellowhead Pass to Kamloops, with feeder lines to Vernon, Kelowna, Penticton and the great smelter plant at Trail. Then the main line continued on to Hope, Abbotsford and the great city of Vancouver, thence on down the west coast to Bellingham, Everett, Seattle and Portland.

This pamphlet, distributed by the Westcoast Transmission Company Limited, indicates that this is the only company which claims it has constantly sponsored an all-Canadian route to take gas to the Pacific coast. The pamphlet stresses the shortage of United States dollars —a condition which does exist—and that every effort should be made to obtain that route.

The construction of an all-Canadian pipe line will require a large expenditure, and it necessarily follows that the more of the line built in Canada, the more will be spent in this country for its construction. When the gas is sold at the United States border, south of Vancouver, it will command more United States dollars for gas delivered than if the line were built directly south, out of Canada, through a shorter Canadian pipe line.

The hon. member for Vancouver-Quadra (Mr. Green) stated that this pipe line company have said they have already had Ford, Bacon and Davis, engineers, complete a preliminary survey and design, at this point, for an oil pipe line from Edmonton to Vancouver. Then they propose to follow exactly the same route; and that detailed data and information are now being completed.

It is the hope of all of us that we may see the completion of an all-Canadian route. I believe that at the present time the Steel Company of Canada located at Hamilton, Ontario, is capable of rolling sixteen-inch and eighteen-inch pipe, which is not sufficient in diameter to take care of natural gas. I am informed that, for a line of this type to be successful, at least a thirty-inch pipe is required. There is no doubt that the engineering facilities available here in Canada are sufficient to design such a plant capable of rolling steel here in our own country. I am also informed however that the cost of installing this type of machinery would be about $5 million.

The Westcoast Transmission Company Limited had a bill sponsored in the house some considerable time ago. It was during the dying days of parliament prior to the election of June 27, 1949. An act was passed by parliament on April 30 of that year approving this company's application.

As the pamphlet distributed by the Westcoast Transmission Company outlined a Canadian route, it made everything look rosy to anyone reading it. One may look through this pamphlet from cover to cover but one will not find the signature of the president or of any of the directors. I suggest therefore that a pamphlet of this type is nothing but a pure propaganda scheme. The hon. member for Vancouver-Quadra is a capable lawyer. I ask him, if he received a pamphlet of this kind, which bore no signature, whether he would accept it as bona fide.

Reference to the statutes of 1949, chapter 36, page 61, shows that a charter was issued to the Trans-Northern Pipe Line Company. Section 6 states:

> The company, subject to the provisions of any general legislation relating to pipe lines for the transportation of oil or any liquid product or by-product thereof which is enacted by parliament, may
>
> (a) within or outside Canada construct, purchase, lease, or otherwise acquire, and hold, develop, operate, maintain, control, lease, mortgage, create liens upon, sell, convey, or otherwise dispose of and turn to account any and all pipe lines, for the transportation of oil including pumping stations, terminals, storage tanks or reservoirs and all works relative thereto for use in connection with the said pipe lines; and own, lease, sell, operate and maintain aircraft and aerodromes for the purpose of its undertaking, together with the facilities required for the operation of such aircraft and aerodromes; and own, lease, operate and maintain interstation telephone, teletype and telegraph communication systems and, subject to The Radio Act, 1938, and any other statute relating to radio, own, lease, operate and maintain interstation radio communication facilities.

The only company which has applied to construct pipe lines all within Canada is Western Pipe Lines. If hon. members will turn to the 1949 statutes, chapter 38, they will find that under section 6 this company has a charter to build only within Canada.

Then, if we turn to chapter 37 of the 1949 statutes, we find that section 6 deals with the charter given to the Westcoast Transmission Company Limited. This section deals with power to construct and to operate pipe lines, paragraph (a) giving permission to build, as follows:

> (a) within the provinces of Alberta and British Columbia or outside Canada—

And I suggest the words "or outside Canada" should be plain enough for anyone—

> —construct, purchase, lease, or otherwise acquire, and hold, develop, operate, maintain,—

And so on. May I state clearly again that this company's charter is to build a pipe line either within or outside Canada.

So much time has been taken in debate to show that this company will build in Canada, and that it is the only one that wishes to do so, that I would like the house to know just who these people are. I am taking the words of the hon. member for Fraser Valley (Mr. Cruickshank) who, when he spoke about the Westcoast Transmission Company on November 15, 1949, as reported at page 1811 of *Hansard*, attempted to show that this company has an all-Canadian charter and is serving Canada's interests first.

This is what the hon. member said, in part:

> It has been estimated that it will probably cost $170 million to build the pipe line no matter which company builds it. The money will be raised in Canada and the United States. . . Someone has said something about forty minutes, and I hope it was not a member from British Columbia. I will take my stand right now and vote on the matter as a British Columbia member. Just to show who these people are who are in the Westcoast Transmission Company, may I give you the names of some of the companies in the group. There is the Pacific Petroleums Limited, Calgary, which is a subsidiary. The Peace River Natural Gas Company Limited; Sunray Oil Corporation of Tulsa and Los Angeles—I wish some of my friends would check on these companies. There is the Pacific Western Oil Corporation of Los Angeles and the Tidewater Associated Oil Company of San Francisco. All of these companies have several hundred million dollars behind them. They are the companies through which the Westcoast Transmission Company will finance the undertaking.

As I said before, after their charter was granted, this company made application to build a pipe-line route through the United States. Their application was filed on May 10, 1949. So all the talk of this company wanting to build an all-Canadian route is utter nonsense when section 6 of chapter 37, page 68, of the statutes of 1949, gives this company the right to build within or without Canada. That should be very clear to all hon. members of the house.

There are several routes which this company has applied for through Canada but

which have all been withdrawn. At the moment it seems to me that they are in favour of commencing at Edmonton, going south along the Canadian Pacific railroad to Calgary, then on to Macleod, then west to Pincher Creek and Coleman and through the Crowsnest Pass to Fernie, B.C., leaving Canada at Kingsgate to a terminus at Sandpoint, Idaho, with a branch to Trail, B.C. This application was filed on May 11, 1949, but no action whatsoever has been taken and it has remained dormant since that date. However, it is still on file with the board of transport commissioners and no steps have been taken by the Westcoast Transmission Company to withdraw their application.

The Yellowhead pass route would commence at Edmonton, continue west along the Canadian National main line through Yellowhead pass to Tete Jaune Cache, then southward to Kamloops, Princeton and Vancouver, with a branch line from Tete Jaune Cache to Dawson Creek and a short branch line from Abbotsford near Vancouver to Huntingdon on the United States border. This application was filed on October 13, 1949, and was set down for hearing on November 23, 1949. It was then adjourned at the request of the applicant to February 21, 1950, and again adjourned at the request of the applicant to a date to be set later by the Alberta conservation board to grant a permit to export.

All that parliament is being asked to do is to give these companies now applying for a charter the same opportunity and the same privilege as was given to the Westcoast Transmission Company. We on this side of the house do not believe in monopolies and, therefor, would like to see some competition. In view of the facts that I have stated, will any one suggest that the Sunray Oil Corporation of Tulsa and Los Angeles or the Pacific Western Oil Corporation of Los Angeles or the Tidewater Associated Oil Company of San Francisco are interested in developing Canada first? The answer is, "Certainly not". If the Westcoast Transmission Company are sincere they will make application immediately to withdraw their application to build outside Canada and state clearly that they will follow an all-Canadian route.

I am bringing down a bill entitled, "An act to amend an act to incorporate Westcoast Transmission Company Limited," which reads:

His Majesty, by and with the advice and consent of the Senate and the House of Commons of Canada, enacts as follows:

1. Paragraph (a) of section six of an act to amend an act to incorporate Westcoast Transmission Company Limited, chapter thirty-seven of the statutes of 1949 (first session) is amended by striking out the words, "or outside Canada," in the second line of the paragraph.

Tomorrow I am bringing down another bill dealing with all companies that might apply for charters and providing that they shall state specifically that an all-Canadian route shall be followed.

Mr. J. L. Gibson (Comox-Alberni): Mr. Speaker, just in order to set the record straight and to satisfy my hon. friends to my left, I want to say that I am not speaking on behalf, or under threat, of the Minister of Trade and Commerce (Mr. Howe). Neither am I speaking on behalf of any of the pipe line companies involved in these particular bills. I think we all realize that the time has come to make some decision on this issue. I think it is a fact well recognized that we have wasted considerable time of this house, and I say "wasted" because I mean just that. I know many hon. members will take exception to that word.

Certain hon. gentlemen have led this filibuster. My good friend, the hon. member for Calgary West (Mr. Smith), has taken a very prominent part and I must say he has done an able job. When I see examples of his urbane manner and persuasive ways in presenting his viewpoint I begin to feel very sorry for the many jurymen who must have been led up and down various garden paths during his long and distinguished career at the bar.

My good friend, the hon. member for Fraser Valley (Mr. Cruickshank), has also co-operated. While the hon. member probably lacks the great subtlety in the law possessed by the hon. member for Calgary West, he certainly has made up for that lack in the power of his invective. He has done a wonderful job.

Then my good friend, the hon. member for Vancouver-Quadra (Mr. Green), has been quite prominent in this. I know he has been doing his job in this regard with his customary sincerity. At the same time it struck me that he felt he was leading a second crusade to rescue the Holy Sepulchre from the Saracens. The other night I heard him calling on the shades of senators of the past and present to come and speak in defence of the great people of British Columbia. He also mentioned the gentleman whom I have had the honour to succeed, Mr. A. W. Neill. There is a gentleman who would have made a great contribution to the Senate, but it seems to me that Independents do not often reach that chamber. The hon. member for Vancouver-Quadra suggested that if Mr. Neill had been here he would have undertaken to defend British Columbia.

You, Mr. Speaker, were here when my great predecessor was a member of this house and I am sure you will recall that among his many qualities was a great native sagacity and shrewdness. He was a hard man to whom

to sell a bill of goods and I never heard of him buying any part of the Brooklyn bridge. I am sure that before he would have accepted this gold brick he would have taken a few borings and would have had an assay made so that he would have a pretty good idea whether he should or should not support the bill.

I do not think any of us take second place to anyone else in favouring or desiring an all-Canadian route, but I do not think this house or the committee of the whole is the place to discuss that matter. I am certain some of the hon. members who have spoken do not realize what a highly technical matter this is. There are 60 members of the committee on railways, telegraph lines and shipping and I am sure that many of them are competent to deal with this matter. I am convinced that all those 60 members of that committee will take a close interest in this bill.

I am amazed that the opponents of this bill have appeared so anxious to keep it out of that committee. They seem to me to want to enjoy their own ignorance because I am certain that most of those who have spoken know probably just a little less about pipe lines than I do.

Mr. Smith (Calgary West): Impossible.

Mr. Gibson: I am sure the hon. member for Calgary West would make a great contribution to that committee. He is not a member of the committee but I imagine when the time comes he will have the Whip have his name replace that of some other member of his party as a member of that committee.

I wonder what has been accomplished by this discussion. It has not all been bad and I would not be unfair enough to say that it has. I think the government has been made conscious of the magnitude of this problem and how interested the people of Canada are in it. I think we have assured ourselves that when the bill goes to the committee it will receive thorough study. It is quite conceivable that as a result of this discussion we have delayed the provision of cheap gas to the Pacific coast by quite a number of months and we may have given the impression to the people of Canada that parliament is being used more or less as a tool to maintain a monopoly for the one company that already has received a charter from this house.

I feel that any further discussion of this matter is a sheer waste of time. Drawing on my biblical training, and by way of paraphrase, may I say that this house probably will not hold him guiltless who taketh our time in vain. The hon. member for Fort William (Mr. McIvor) will probably subscribe to that.

The Westcoast Transmission Company has a charter now. Sometimes I have been annoyed by the tactics they have used. It seems to me that they have played the old shell game on us and have probably taken us for suckers. That is a good Canadian expression and I think it fits. They made a rather feeble and nebulous promise of an all-Canadian route when they came here in the first instance. We saw fit to pass their bill in good faith. In compliance with their promise they applied for an all-Canadian route before the Board of Transport Commissioners for Canada on May 10. They are a pretty shrewd and sharp bunch, and it seems to me that they have had some good legal advice. On May 11 they applied for an alternative route for export to the United States. I admire their political skill and vast experience.

I realize that most newspaper reporters do not bother running down to the board of transport commissioners to see what's cooking. They heard that an all-Canadian route had been applied for on May 10, and the Westcoast Transmission Company thought that by shoving the other application through on May 11 nobody would notice it. As a matter of fact, they succeeded very well. The hon. member for Calgary West (Mr. Smith) has followed this matter with great interest, but when the hon. member for Coast-Capilano (Mr. Sinclair) mentioned to the house some four months later than the company had filed an alternative application the hon. member for Calgary West had never even heard of it. He denied it, and I am sure he did so in good faith, because he was not aware of it.

It seems to me it was a shrewd move. It certainly appears to me that the Westcoast Transmission people were not acting in good faith. As to their application for a pipe line permit down through Kingsgate, the Westcoast Transmission people have been wise enough not to embarrass their supporters in the house by asking for a hearing. They are just letting it lie dormant. On the other hand, they withdrew their application for their original plan to build a line from the Athabasca down through Tete Jaune Cache into Vancouver, and they have now replaced it with an application to build a pipe line through the Yellowhead pass about which we have had so much discussion here. On checking with the board of transport commissioners I find they have applied to have that application adjourned *sine die*. I am not a lawyer, but the expression "sine die" always strikes me as one of those terms of legal gobbledygook that could mean some enchanted evening, when it is springtime in the rockies, or something like that.

A good many of the people connected with the Westcoast Transmission Company are personal friends of mine, but I resented very much the fact that at the beginning of this session they sent us a brochure which had the words on it, "revised, January, 1950". In it they showed a beautiful pipe line route marked all in red through the Yellowhead pass and down to Vancouver. They made sure they did not show that they had made application to go through Kingsgate into the United States. I do not think that people who are asking for these things should try to take advantage of simple-minded members of the House of Commons to that extent.

I have been sorry to hear some of the things that have been said during the course of this debate. In one instance two very prominent and highly regarded people of the province of British Columbia were quoted as being parties to a vicious steal. I think that was a rather unfortunate remark, and I would not like to think that it was made in any derogatory sense. Probably the member was carried away by the enthusiasm of the moment. One of the opponents of this bill has said it, but I certainly would not like to think that the remarks concerning those two gentlemen—and I will not compound the libel by naming them—were supported by other opponents of the bill such as the hon. member for Vancouver-Quadra (Mr. Green) and the leader of the opposition (Mr. Drew) because I think it would be unfair to suggest that was so.

Some mention has been made in the house of the fact that the legislature of British Columbia passed a resolution supporting an all-Canadian pipe line. It was very good of the legislature of that province to give us gratuitous advice. I think they are expressing the views of most people in the province and certainly of the British Columbia members of parliament. For them to pass a resolution supporting an all-Canadian route is something like my presenting a motion to the house that we are opposed to sin. I think every hon. member would be willing to support me on such a resolution, even some of those who might be interested in trying it.

An editorial in the Vancouver *Sun* has been quoted extensively. That newspaper has been undertaking to chide some of the Liberal members who have supported the passage of this particular pipe line bill. It seems to me that the editorial department and the news department sometimes get a little mixed up about the direction in which they are going. There is in the press gallery a very able correspondent of the Vancouver *Sun*, Mr. Dillon O'Leary, and his views do not seem to coincide entirely with those of the editorial department of the Vancouver *Sun*. I was particularly interested in one article written on the filibustering debate we had in the house and which appeared in that paper on November 5. Mr. O'Leary starts out by saying:

> Mock piety, tear-jerking pleas and lewd humour were part of the weird act in the Commons Friday night during the filibuster in the now famous gas pipe line battle.

Mr. O'Leary is a competent observer, and that appears to be the impression which he, as the man on the job here, gained from some of the debates we have had on this issue. He goes on to say in the article:

> Only company holding incorporation for piping Alberta gas to the Pacific coast is Westcoast Transmission Company. Parliamentary sponsors of its incorporation last session, Senator J. W. de B. Farris (Lib., Vancouver) and Mr. Cruickshank have backed moves this session to block incorporation of any other gas pipe line.

To me it is almost humorous to observe the line-up of speakers in this debate. An honourable and distinguished senator is allied with the hon. member for Fraser Valley (Mr. Cruickshank). Then there is the leader of the opposition, the leader of the C.C.F. party (Mr. Coldwell), the hon. member for Vancouver-Quadra and the hon. member for Kamloops (Mr. Fulton). If I have overlooked anybody, all he has to do is to call out his name. It is very interesting. Then we have the resolution of the British Columbia legislature and the comments of the Vancouver *Sun*, and I understand there are also representations from a number of Liberal organizations in Vancouver Centre. They are all in there together. Pipe-line bills certainly make very strange bedfellows. I know that you will appreciate why I am a little hesitant about getting into bed with that particular crew.

I wonder what we can do with the bill if we give it second reading today. I should like to plead with my hon. friends on this side of the house that we can proceed from here. I do not think any particular harm has been done so far. It seems to me that if the bill is given second reading and is sent to a committee we could very well ask the Minister of Trade and Commerce (Mr. Howe) —and I am sure he would be glad to grant our request—to give us some information on the policy of the Canadian government as to pipe lines. To be fair to him, it seems to me that he has tried several times to provide us with information of that kind, but in almost every instance there has been an attempt to distort his words or to draw from them conclusions that were not fair. I certainly do not have to apologize for anything the Minister of Trade and Commerce

has done. But when it is suggested that he is a party to some nefarious scheme to sell out British Columbia for the benefit of Ontario, I hardly think that is fair. The minister's record since he has been in public life is not one that would indicate it is possible for him to stoop so low; I believe everyone in the house recognizes that.

The building of a pipe line to the Pacific coast is a difficult problem. I know the member for Calgary West (Mr. Smith) was stranded on the coast for eight days when, at my invitation, he came there last January. The engineering difficulties connected with the problem of running the pipe line carrying 750 pounds of gas through the Fraser valley must scare him a little. As I have said, I am not an engineer, but I do appreciate the difficulties that are involved. I should like to see these pipe-line experts appear before a committee of the house, and tell us how they can build that pipe line down the Fraser valley to make sure it works every day. We do not want it to be like our railroads that are sometimes out of operation for ten, twenty or thirty days.

As hon. members will probably recall, when this pipe-line proposition was first mooted in Canada I was of the opinion that the Canadian National Railways were passing up a tremendous opportunity that might prove profitable. When I hear Mr. Gordon, the president of the railroad, suggesting that it have a new capital structure, I wish he would present some new ideas about the transportation of gas or oil. I would hope that the government has not entirely abandoned the idea that it might be possible for the Canadian National Railways to get into this business.

In conclusion, Mr. Speaker, I would plead wih my friends of the Conservative party, and the C.C.F. party, to allow this bill to go to committee in order that we can get some information on it. So far as I am concerned, I can assure you that if I am satisfied a Canadian route is feasible, both economically and from an engineering standpoint, when this bill comes back for third reading if there is any way I can assist in ensuring the pipe line will be built in Canada, I shall support those hon. members requesting that route, and not the pipe-line company that wishes to go through the United States.

(Translation):

Mr. Henri Courtemanche (Labelle): Mr. Speaker, since a very important principle is involved, it should surprise no one to see Quebec members rise and speak, after many others, against the bill respecting the Alberta Natural Gas Company.

Mr. Speaker, may I say at once that I am amazed, even shocked, at the attitude shown by certain Liberal members since we began discussing this private bill concerning the Alberta Natural Gas Company. Of course, some may ascribe my surprise to inexperience. This, indeed, is only my second session and I still have a lot to learn. One thing, however, that is very well known to me, even if I lack the long experience of most of my colleagues, is the feeling of my constituents and, may I add without boasting, the feeling of most of the people in my province.

The people of Labelle county and of the surrounding constituencies find it strange that members of parliament are always tempted to surrender to commissions and bureaucratic bodies their authority and prerogatives, as well as the rights and duties of their office. The bill concerning the Alberta Natural Gas Company is a good, or rather a deplorable example, of a state of affairs about which the people are complaining bitterly.

It is our duty as members to examine this bill. This means we should have some knowledge, some information about this matter. It is not sufficient to vote for or against the bill, once the title has been read. We must know what is involved. Liberal members are willing to approve the measure immediately, without even taking into account its implications. When we censure this attitude, they say: "If anything goes wrong, the board of transport commissioners will deal with it". Indeed, the board will look after it. Having become nothing but rubber stamps, the members vote blindly. When it is time to decide, to judge, to take a definite line of action, the move is made by bureaucrats, commissioners, or someone else. The board of transport commissioners is not to blame in any way. But the principle involved is very important.

The Alberta Natural Gas Company has applied for a charter to build pipe lines. According to the law, members of the house can grant or, if they see fit, deny the charter. We, the Conservative members of the opposition, naturally ask, and it is nothing more than our duty to inquire, what route these pipe lines will follow. No answer has been given. Can we, the representatives of the people, grant the charter notwithstanding, saying, with the Liberals, that if anything goes wrong, the board of transport commissioners will see to it? No, there are cases where, under the law, it is up to the board of transport commissioners to assume its responsibilities. In this instance, however, the members of this house

must acquit themselves of their obligations. We find it strange, I repeat, that they fail to do so.

If ten or fifteen years hence we should find out that these pipe lines follow such a route that they do not favour Canadian interests, or that they even are contrary to them, who will be held responsible? The board of transport commissioners? What use would that be since the members of this board are not elected by the people? The members of parliament themselves would be held to blame, and rightly so, since we would have neglected, when the moment came, to carry out our duties as representatives of the people.

Even government supporters are sometimes heard to complain that the members of this house are too often ignored when the time comes to make an important decision or to acquaint the people with an order in council or other such orders.

In October, 1949, the Minister of Trade and Commerce (Mr. Howe) was the first to be surprised on reading in certain newspapers about the statement he intended to make in the House of Commons. That statement dealt with the setting-up of controls on imports of certain goods such as pig iron, iron ingots, billets, bars, rod, et cetera. Members of the house were not informed of this order yet the news was already published in the press and known to the general public. Busy with their parliamentary duties, the members were the last to be informed. I have a great deal of admiration for newspapermen and I was highly amused to see that they had scooped the members of the House of Commons. Besides, in this particular case, the incident was not of major importance. However, it enabled us to realize once more that a very dangerous tendency exists. No longer do members of parliament, the elected representatives of the people, administer public affairs; bureaucrats, high officials and some not so high, who, nevertheless have been given impressive powers, now crack the whip.

We know that a good many Liberals do not like that procedure; they do not want to be informed of tax increases or reductions through the medium of the radio or the press. Here is a wonderful opportunity for them to prove that they are sincere by refusing to entrust their responsibilities to the board of transport commissioners or to the government of Alberta. By acting otherwise, they let most dangerous precedents pile up, and some day we may awake to find out that a board of some kind has simply decided to abolish parliament. That may seem fantastic, but the representatives of the people are surrendering their authority to civil servants at such a rate that we can very well expect the worst.

I was also rather surprised to see the Liberal members attach only minor importance to the conservation of our natural resources. In opposing the bill concerning the Alberta Natural Gas Company, we seek only to protect our natural resources. Given a free hand, the company would be in a position to deal with the oil and gas resources of Alberta in its own interest, which may be detrimental to the interests of the country as a whole, and according to its own whims which may be prejudicial to the whole population.

We have no right to authorize a company to use our natural resources as it sees fit. We should first know exactly about the company's intentions, its plans and projects, and then prescribe conditions based on the most elementary caution. Because we ask questions, because we want to know, for instance, what route the Alberta Natural Gas Company's pipe lines will follow, we are taxed with shameful intentions.

We should do everything in our power to favour the development of our natural resources in the interest of our people at large. Such development should be carried out systematically. Oil resources, as has been shown elsewhere, are not inexhaustible. Should we, therefore, let this company export large quantities of oil to the United States and then find, in a few years, that Canada's reserves of that precious fuel are exhausted? Hon. members know that the province of Quebec has abundant natural resources. We realize, however, that they cannot last forever and that unrestricted development could well entail serious disasters, economic and otherwise.

Take, for instance, the case of the paper industry. In our province, we have vast forests. Some people would doubtless be tempted to process all this timber into newsprint as fast as possible so as to make all the money they can! To do so would be illogical. We must think of the future. A forest can be denuded in a few weeks, but it takes years

and years to reforest land. That is why in our province we make sure that forest development is carried out systematically and carefully; we also see to it that reforestation goes hand in hand with deforestation. That is but elementary foresight. No generation has the right to strip land of all its natural resources in a manner that would leave future generations in want.

What goes for forests also applies to oil. Previous speakers have told us how valuable, how useful petroleum and natural gas are to us Canadians; they have mentioned all the benefits we can derive from these assets. "Black gold" it is sometimes called, and rightly so.

Besides, the oil industry is a relatively recent one, not only in Canada but throughout the world. It might be pointed out that it began less than a hundred years ago. On August 27, 1859, Edwin Drake was digging an artesian well in his garden—a rather commonplace occupation—when suddenly oil spurted out from the bowels of the earth. This incident occurred at Titusville, Pennsylvania, in the United States. Good old Drake, a common bartender, died a colonel and, what is more important, a multimillionaire. The rest is history: there was a rush of oil prospectors. Men had found the "black gold Eldorado".

Oil has revolutionized industrial processes. One need not be a prophet to state that still further changes and industrial revolutions will be caused by oil. In December, 1938, the late President Roosevelt stated:

> Oil has become the sinews of war.

Nineteen years earlier Clémenceau had cabled Wilson the following message:

> Each drop of oil is worth a drop of blood. We have been carried to victory by a flood of oil.

Beyond any doubt, oil has played a vital role in the last two world wars. Supremacy in this field meant supremacy on land, on sea and in the air. In Napoleon's time, an army marched on its stomach. While this remains true, it also marches on oil.

We have here the annual report submitted by Imperial Oil Limited for 1944; it was published in Sarnia, Ontario, on April 14, 1945.

The following significant passages deal with the accomplishments for which oil has been responsible:

> The year under review has been yet another period during which the resourcefulness, courage and wealth of the United Nations have been put to the test in preserving individual liberty and a democratic way of life. While peace-loving nations accumulated material and took the offensive on the main theatres of operations, oil has been called upon to play an increasingly important part in every phase of the war effort, on the battle front as well as on the production front. Briefly, there has been an enormous demand for crude petroleum and its products, vast movements of oil and allied products over long distances, adaptation of these products to new uses and a development of new products with a view to fulfilling special requirements of navies, air forces or land armies, war industries and other essential uses.
>
> In spite of difficulties, it can be said that in Canada once again, in 1944, no convoy was delayed, no movement of troops was hindered, no flying field was closed and no production of munitions, food or other essential products was curtailed on account of a shortage of oil supplies.

These few sentences show us the importance of oil in wartime. I am not one of those who believe that Canada should engage in gigantic preparations in case we should have a third world war. I am not one of those who believe that the major part of the revenue of the federal government should go towards the purchase of munitions. I do think however that if we really treasure our security and our independence, we must not let the development of our oil resources take place in a haphazard way. In peacetime as in wartime oil plays a vital part, but in wartime it can be essential to victory.

We are therefore clearly against the irrational use of our natural resources, and the irrational export of the products of our resources. We use the word "irrational" since this bill gives no guarantee that the use and export of our resources will be on a rational basis. It is our duty, as members of this house, to oppose the passing of a bill which provides no such guarantee. For reasons already mentioned, we cannot devolve upon the board of transport commissioners or the Alberta government responsibilities incumbent upon us.

Should we grant its application, the Alberta Natural Gas Company would have wide powers, extraordinary powers. The

Pipe Lines Act of April 30, 1949, clearly defines such powers. We would allow the company, among other things, to—

—enter into and upon any crown land without previous licence therefor, or into or upon the land of any person, lying in the intended route of its line, and make surveys, examinations or other necessary arrangements on such land for fixing the site of the line, and set out and ascertain such parts of the land as are necessary and proper for the line;

But we members of this house who are going to allow this company to construct pipe lines, do not even know what route is going to be used or what crown lands those lines will enter upon without previous licence. Nor do we know upon what lands belonging to individuals, to taxpayers, will the same liberty be taken.

Under the terms of the act the company may also: . . . purchase, take and hold of and from any person any land or other property necessary . . . . . or dispose of any of its land or property that for any reason has become unnecessary for the purpose of the line.

Here again we cannot, as the people's representatives, give them a free hand without knowing beforehand at least the route of the pipe lines.

The act passed on April 30, 1949, provides many other extensive powers including the following:

. . . construct, lay, carry or place its line across, upon or under the land of any person on the located line of the company pipe line.

They will not tell us where the line will go, but still they want us to agree to everything they ask for.

The act continues:

Join its line with the pipe line of any other person at any point on its route.

Always a route about which we know nothing at all.

Construct, erect and maintain all necessary and convenient roads, buildings, stations, depots, wharves, docks and other structures, and construct, purchase and acquire machinery and other apparatus necessary for the construction, maintenance and operations of its line.

Construct, maintain and operate branch lines, and for that purpose exercise all the powers, privileges and authority necessary therefor, in as full and ample a manner as for a company pipe line.

Those are rather sweeping powers which we are being asked to grant without being able to get beforehand the information we ask for.

Let us read the act further, especially the different paragraphs of the important section 7:

. . . from time to time alter, repair or discontinue the works or any of them, mentioned in this section, and substitute others in their stead;

Transport oil or gas by company pipe-line and regulate the time and manner in which oil or gas shall be transported, and the tolls to be charged therefor; and

Do all other acts necessary for the construction, maintenance and operation of its line.

Indeed, we should not grant all of these powers and privileges before knowing the truth about this venture, the route to be followed by the proposed pipe line or pipe lines, whether the oil and gas to be carried in this or these pipe lines will remain in Canada or enter the United States and what percentage will remain in this country and what percentage, if any, will be exported to the United States.

Charity begins at home. We need oil and gas here in Canada, especially in the western provinces. Our people should be the first to benefit from our oil and gas resources. If there is a surplus, let us export it; it would be to our mutual advantage. On the other hand, it would be perfectly ridiculous to hinder the development, progress and prosperity of a section of our country by depriving it of oil and gas in order to export those products to the United States.

The hon. member for Cariboo (Mr. Murray) said something like this:

Some people fear our southern neighbours as if they were ready to jump on us.

Let us be serious please! We admire our southern neighbours; we have great friendship ties that unite us and we are proud of the undefended border between our two countries. We do a great deal of trade with the United States. The friendly relations between our two nations are an inspiring example for the rest of the world. Washington, however, has never asked Ottawa to deny itself completely, to forget its immediate or remote interests and to sacrifice itself in any way on behalf of the United States. Neither has Canada ever demanded that Washington set aside its own interests to think only of Canada's.

The Hyde Park agreement of 1941 does not state that Canada must deny herself completely to consider only the United States. Let us see, for instance, how, in 1942, the United States Secretary of State outlined what we should aim at in taking steps to ensure economic co-operation; he said something to this effect:

. . . co-operate in working out a common program in which all other countries sharing the same ideas would be invited to take part in order to increase,

by means of the international and internal steps deemed necessary, production, employment as well as the exchange and consumption of goods, those being the material bases of the freedom and welfare of all peoples.

Nothing more. It is not contemplated that we should do without essential products in order to export them to the United States, nor, for that matter, is it inferred that the United States will make every necessary sacrifice in order to send to Canada goods that are in short supply. Complete and frank co-operation between Ottawa and Washington, by all means, but never, however, to the disadvantage of either Ottawa or Washington. Otherwise, the end to be achieved would no longer exist.

Let us suppose, for instance, that only enough oil was found in Alberta to supply the people of the neighbouring provinces. Now these provinces need oil badly and this product can ensure their prosperity. Under what principle or precedent can we ask the citizens of Alberta, of British Columbia or of any other province to do without oil or gas in order that we may export it to our neighbours to the south? Let me repeat that charity begins at home, as the saying goes. This principle applies both in personal relations and international relations. Besides, the United States have never asked us to deny ourselves oil and gas to provide them with these products. Let us not ascribe to them intentions they do not have.

If a similar bill were to be introduced in Washington, there is no doubt that, first and foremost, it would be designed to protect United States interests. The representatives of the American people would not allow oil to be exported to Canada unless they were assured that the United States had enough for their own needs. Nobody in Ottawa could be shocked by such an attitude. It would be judged to be quite normal and reasonable. However, Liberal members—not all, but a few—would have us believe that it would be different if representatives of the Canadian people were to do the same.

The member for Skeena (Mr. Applewhaite) seemed quite put out because we of the Conservative opposition were not of one mind with him. He waxes indignant—and these are his very words—because, as it were:

The suggestion has been made that we who support these bills . . .

That is, the Liberal members.

. . . are in some way traitors to Canada or to our respective provinces.

[Mr. Courtemanche.]

The member for Skeena may be annoyed but he knows very well that he is duty bound, as a member of this house, to proceed with caution and foresight whenever a bill is considered. The member who casts a vote for any bill without due consideration is not being faithful to his mandate; he betrays it. In supporting a measure such as the Alberta Natural Gas Company bill, the implications and consequences of which he is totally unaware, he is apt, voluntarily or not, to betray the interests of his province, of his country. One may betray by doing certain things; one may also betray by omitting to do certain things. By neglecting to examine thoroughly the purposes of the Alberta Natural Gas Company we would, in effect, betray our mandate, our electors and our country.

If, indeed, there is nothing to fear, if everything is in the best interest of the country, why not then provide the information we request in good faith?

The hon. member for Winnipeg South Centre (Mr. Maybank) moved second reading of the bill. It is of him therefore that we asked: "What route will the pipe line follow?" That surely is a fair question and we would be remiss in our duty as members of this house if we did not ask it. The hon. member for Winnipeg South Centre replied: I do not know.

How can we grant extraordinary powers to a company, if we do not even know what route its pipe line will follow, to whom the company will sell the oil, whether it will serve Canadian or American customers first or whether it will take no interest in either of them. We are completely in the dark in that connection. The more we progress, the more we discuss the matter, the more we realize that it would be beyond our power to authorize the Alberta Natural Gas Company to go ahead with projects of which we know nothing. Would the company work against the interests of the nation or those of a particular province? We like to think that such are not its intentions. However, for the very reason that we do not know what it plans to do, we can assume all sorts of hypotheses, some good, some bad, and think the best as well as the worst.

The members of the house should be in a position to tell the Alberta Natural Gas Company what route its pipe line must follow

in the nation's interest; however, not only are we prevented from correcting or altering the plans of the company but we do not even know what route it will follow.

We are told that the board of transport commissioners will deal with this. It will probably attend to the matter from the technical standpoint, from a specific angle, but its attitude will not be that of a member of the house, a representative of the people. I am loath to see members of parliament always surrendering their rights, powers, prerogatives and responsibilities to others.

There is also the government of Alberta, we are told. They will see to that. They will take steps to protect the interests of the province of Alberta. That is quite normal and is to be expected. But will they make sure that the interests of British Columbia are also protected? We know, of course, that they will not. We are well aware that it is here, in this house and nowhere else, that the general interest, the interests of the country at large will best be protected.

Finally, the Department of Trade and Commerce has been mentioned. By the Department of Trade and Commerce, do they mean the high officials, the powerful bureaucrats? If these are the people referred to, our answer is no, a thousand and ten thousand times no. At the beginning of my remarks, I voiced the opinion of the party with respect to federal bureaucracy and its activities. That applies to the bureaucrats of the Department of Trade and Commerce as well as to those of all other departments. Even if such were the case, our answer would still be no. We have listened to the speeches and statements made by the Minister of Trade and Commerce and they were hardly reassuring.

For instance the member for Fraser Valley (Mr. Cruickshank) has already asked him if we may conclude from a statement which may be found at page 792 of *Hansard* whether no export permit would be granted for oil if the suggested pipe line were not entirely within Canada. The answer given by the Minister of Trade and Commerce was so vague that the member for Fraser Valley had this to say:

> I take it that the minister is not going to answer my question?

The Minister of Trade and Commerce had a word for those who oppose the export, or at least the unrestricted export, of Canadian oil to the United States. He called them "petty Canadians". We do want to be those "petty Canadians" who look first to their own country's interests and have no wish to favour foreigners over our own taxpayers. We do not mind being those "petty Canadians" who are heedful of the unfortunate consequences of a blank cheque—for that is what is being requested of us—given to the company which intends building this pipe line.

We want to be "petty Canadians" who consider, above all, the present and future of their own country and secondly, secondly only, the interests of others, of our neighbours. I repeat, Mr. Speaker, charity begins at home!

Therefore, whatever may be the intention of the Minister of Trade and Commerce, we will not let him decide alone, or with his advisers or bureaucrats, what the route of the Alberta Natural Gas Company pipe line should be. The Minister of Trade and Commerce is a busy man. He must have other matters to attend to. The members will want to settle among themselves a problem which concerns them in the first place. Besides, the Minister of Trade and Commerce is sufficiently powerful; he does not need any more privileges or prerogatives. We know he is used to government by order in council. We of the Conservative opposition do not like it at all. We believe in the sovereignty of parliament and we shall express our belief on all occasions, in this matter of the Alberta Natural Gas Company and in any other.

The Minister of Trade and Commerce, who is a very busy man, which is quite understandable, is sometimes absent-minded. Need I, for example, recall that on December 6 last, the minister clearly denied that Canada had shipped uranium to Soviet Russia? Two days later, on December 8, he admitted in the Commons—

Mr. Deputy Speaker: I regret to interrupt the hon. member, but he is out of order.

Mr. Fleming: Go on, go on.

Mr. Courtemanche: I shall not press the point, Mr. Speaker. I resume my remarks on the matter before the house.

We have no right to use those resources rashly. I repeat that we would betray our people should we permit the development of those resources in such a way as to favour and enrich foreigners to the detriment of our fellow citizens.

We often deplore the mass exodus of our young people to the United States. If we give a free hand to this company to build its pipe line wherever it wishes, even in the

United States, we will encourage the emigration of our young people.

Some hon. Members: Time.

Mr. Courtemanche: In conclusion, Mr. Speaker, I am too conscious of my responsibility to approve of such a measure. Therefore, seconded by the hon. member for St. John's West (Mr. Browne), I move the adjournment of the debate.

(Text):

The house divided on the motion (Mr. Courtemanche) which was negatived on the following division:

YEAS

Messrs:

Balcer	Harkness
Blair	Hatfield
Brooks	Herridge
Browne (St. John's West)	Higgins
Bryce	Hodgson
Casselman	Jones
Catherwood	Knight
Charlton	Knowles
Coldwell	Macdonnell (Greenwood)
Courtemanche	MacInnis
Coyle	McGregor
Diefenbaker	McLure
Drew	Noseworthy
Ferguson	Pearkes
Fleming	Smith (Calgary West)
Fraser	Stewart (Winnipeg North)
Fulton	Tustin
Gillis	White (Hastings-Peterborough)
Graydon	White (Middlesex East)
Green	—39.

NAYS

Messrs:

Anderson	Darroch
Applewhaite	Dechene
Arsenault	Decore
Ashbourne	Dewar
Bater	Dion
Belzile	Douglas
Benidickson	Dumas
Bennett	Eyre
Bertrand	Fair
Blanchette	Fauteux
Blue	Ferrie
Boisvert	Fulford
Boivin	Garland
Boucher	Gauthier (Lake St. John)
Bourget	Gauthier (Sudbury)
Bradette	Gauthier (Lapointe)
Bradley	Gauthier (Portneuf)
Brisson	George
Brown (Essex West)	Gibson
Campney	Gingues
Carter	Goode
Cavers	Gour (Russell)
Chevrier	Gourd (Chapleau)
Clark	Gregg
Claxton	Harris (Grey-Bruce)
Cleaver	Harrison
Cloutier	Healy
Corry	Hellyer
Cote (Matapedia-Matane)	Helme
Cote (Verdun-La Salle)	Henderson
Croll	Hetland
Howe	Major
Huffman	Masse
Isnor	Matthews
James	Maybank
Jeffery	Murray (Oxford)
Jutras	Murray (Cariboo)
Kickham	Mutch
Kirk (Digby-Yarmouth)	Pinard
Lafontaine	Prudham
Laing	Richard (Gloucester)
Langlois (Gaspe)	Riley
Lapointe	Robertson
Larson	Robinson
Lefrancois	Rooney
Leger	Shaw
Lesage	Sinnott
Little	Smith (Queens-Shelburne)
Low	Stick
Macdonald (Edmonton East)	Stuart (Charlotte)
MacDougall	Thomas
MacKenzie	Thomson
MacLean (Cape Breton North and Victoria)	Viau
MacNaught	Ward
Macnaughton	Warren
McCann	Weir
McCubbin	Welbourn
McCulloch	Whiteside
McCusker	Whitman
McIvor	Winkler
McLean (Huron-Perth)	Wood
McWilliam	Wylie—124.

Mr. Mitchell: I was paired with the hon. member for Waterloo South (Mr. Homuth). Had I voted, I would have voted against the motion.

OLD AGE SECURITY

CONCURRENCE IN FIRST REPORT OF JOINT COMMITTEE

Mr. Jean Lesage (Montmagny-L'Islet) presented the first report of the joint committee on old age security and moved that the report be concurred in.

Mr. Graydon: Since it does not abolish the means test, I am calling "on division".

Motion agreed to on division.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

ALBERTA NATURAL GAS COMPANY

The house resumed consideration of the motion of Mr. Maybank for the second reading of Bill No. 7, respecting Alberta Natural Gas Company, and the motion of Mr. MacDougall: "That this question be now put."

Mr. H. W. Herridge (Kootenay West): In rising to speak again in this debate, Mr. Speaker, I make no apology because I believe I am representing the views of the majority

of the people of the province from which I come and, without question, the views of the majority of the people in the constituency which I have the honour to represent. I think that is evidenced by the fact that the legislature of British Columbia has unanimously adopted a resolution in support of an all-Canadian route for a pipe line through British Columbia. In addition to that, I have received, as have many other members from British Columbia, a large number of resolutions from boards of trade and other service organizations, and also resolutions from trade union organizations, representatives of the various trade union congresses in British Columbia, and other public service organizations. Without any doubt whatever, I think that what we who are speaking in opposition to this bill as now presented to the house have to say are the words that thousands of people in British Columbia would have to say if they had the opportunity to be here to give voice to their opinions.

Before proceeding with my somewhat brief remarks this evening I want to say again that I make no apology for speaking in this debate. Like other hon. members who have spoken, we know nothing of the personnel behind these companies. We know nothing about the companies as such; that is, their personnel, their structure and so on. Personally, I know nothing of the eminent counsel who are supposed to be interested in these bills, according to the remarks of the hon. member for Comox-Alberni (Mr. Gibson) this afternoon. All we are doing here is giving voice to a principle. That principle is that we believe that whoever receives a charter, or whatever companies receive charters to build pipe lines, should first give this house their assurance that Canadian requirements and Canadian communities will be served before any such pipe line enters the United States.

The members from British Columbia, representing all parties from British Columbia, who have spoken in this debate against these bills as presented at the present time, appreciate the assistance they have received from members of other provinces. We appreciate the assistance we have received from the Ontario members who have been big enough to take an all-Canadian approach to this, to us, important question. We appreciate the attitude of the French-speaking members who have spoken in this debate. I think that was an excellent gesture on their part. We appreciate the support of members from Alberta; not only do we appreciate the support of the members of the Progressive Conservative party but we also last session appreciated the support received from one member of the Social Credit party, the hon. member for Medicine Hat (Mr. Wylie), who definitely expressed the opinion that he was not willing to support these bills until he was informed where the pipe lines would go.

This afternoon I listened with considerable interest to the somewhat constitutional and technical speech made by the hon. member for Springfield (Mr. Sinnott). In fact, while I was listening with great interest I was wondering who the hon. gentleman's research director is, because I should like to know. He no doubt had gone to a great deal of trouble in securing the material and he presented it well.

Mr. Sinnott: He is yours truly.

Mr. Herridge: I want to compliment the hon. member on his knowledge of constitutional procedure and of the technical aspects of the question that have baffled other long-time members of this house. In addition to that, I was greatly interested in the bills containing amendments that he proposes to introduce into this house tomorrow, I understand. We shall all be interested in his contribution to this important question at that time.

Before proceeding with my remarks with respect to our main argument in this connection, I want to deal briefly with a few comments made by members who have spoken in support of these bills. This afternoon the hon. member for Comox-Alberni made a well-reasoned and understanding speech. Before proceeding I want to say that I fully appreciate the point of view of hon. members who oppose, shall I say, the action of some of the members on this side of the house in continuing this debate, and who suggest that we should allow the bills to pass second reading and go to committee. I understand their stand. I give them credit for their sincerity. But I should like them to understand also that their action is an evidence of political immaturity, because members who have served in this house or in other legislatures realize that once a bill passes second reading, is adopted in principle and goes to committee, you are quickly on the skids so far as rendering any effective opposition is concerned. Hence we are continuing this debate in the hope that the sponsors of the bill will pledge to this house that any pipe line built as a result of a charter from this house will pass through British Columbia first.

The hon. member for Comox-Alberni mentioned the fact that this was a highly technical question for members in a house such as this to discuss. When he advances that argument, I ask him how then were members of this

house in days gone by qualified to pass upon the highly technical question as to the location of the railroads. That is exactly what members of this house did. All we ask is the incorporation, in this bill and in the general pipe lines bill, of some provision that will make it possible for this house to do exactly what is done with respect to railroad charters; that is, for the general route of the pipe line to be designated in the bill. We would be satisfied if that designation was simply that it would serve Canadian interests first.

The hon. member asked: "What has this debate accomplished?" I would say that this debate on the part of a relatively small number of members of this house has aroused public opinion in British Columbia to the importance of this question, and has caused the public to be informed of the seriousness of this question. The debate in this house has caused the legislature of British Columbia to pass, by unanimous vote, a resolution endorsing the principle of an all-Canadian route. That is the principle on which we base our argument. I want to see my constituency served, as do other hon. members from British Columbia. That is the main thesis that we expound in this debate.

Then again, the trade unions and all the organizations in British Columbia that are now interested have had this matter brought to their attention as a result of this debate. The hon. gentleman said that if it were proved to him that the route was physically possible through British Columbia he would readily agree. I am going to have something to say about that a little later in my remarks in reply to a statement made by the hon. member for Skeena (Mr. Applewhaite), who I notice is listening with some interest. But briefly I would say that the hon. member for Comox-Alberni knows that the same physical conditions that face the construction of a line through British Columbia face the construction of a line through Washington, Idaho and Oregon. The conditions with respect to construction are exactly the same, namely, mountainous country, with a possibility of slides and other dangers.

Before proceeding further I want to say that I was amazed the last evening that the debate was continued to hear the hon. member for Fort William (Mr. McIvor) suggest he thought the government had a perfect right to bring in closure in this debate. At the time he made his remarks I said, "The reason we are continuing the debate is the experience in the Fort William area." But apparently that remark did not reach *Hansard*. The hon. member for Fort William knows that his constituents have been too late; that they could not have the pipe line continued to Fort William and Port Arthur to meet their needs. The city councils of Fort William and Port Arthur, supported by the members of the legislature for that area, supported by organizations in that area, made strong protests against the deviation of the pipe line into the United States before reaching Fort William or Port Arthur; and they came to Ottawa. The mayors of those cities and the members of the legislature for that area came to Ottawa and presented the people's wishes to the cabinet, but without effect. It was too late for anything to be done. Would the hon. member for Fort William, in suggesting that this government would be justified in applying closure, not say that his suggestion would result in the people of British Columbia experiencing the same result? We are not having any of it.

Mr. McIvor: May I be permitted to make a correction?

Mr. Herridge: Yes.

Mr. McIvor: When I came down here I found that if the pipe line had to go to Fort William it would cost $11 million more, and the upkeep of the line to Fort William would be $500,000 a year extra. We had the guarantee that the oil would go to Sarnia, and Canada would be served first, the thing that we stand for.

Mr. Herridge: Mr. Speaker, in reply to the hon. member's explanation I would say that he has considered first United States profits, dividends and interest before the people of Fort William and Port Arthur.

On a previous occasion when this bill was under discussion we listened to one of the most interesting speeches that have been made.

Mr. McIvor: Just another correction.

Some hon. Members: Order.

Mr. McIvor: There is not a man on that side of the house who is more alert to look after Canadian interests than the member for Fort William, and I include Port Arthur as well.

Mr. Herridge: Mr. Speaker, I want to refer to a most interesting speech that was made on this question by the hon. member for Skeena. I give him credit for making a very well reasoned and interesting speech. The only regret I have is that such talent, such ability and such agility, so far as argument is concerned, were not used on this side of the house.

I want to bring to the attention of the house one other fact that hon. members from other provinces will notice, namely, that the hon. member for Comox-Alberni opposed this so-called filibuster, and was able to do so because in the splendid isolation of Vancouver island his constituents know there is

no possibility of receiving gas from Alberta wells under present conditions. Therefore his constituents are not directly affected. I may say that the hon. member for Skeena, who represents that great haddock-kipper economy, is also isolated from the main stream of British Columbia development, and his constituents at this time are not directly affected. Therefore he can justifiably express some opposition to this filibuster. But I want to deal briefly with some of his comments. On page 898 of *Hansard* I find that the hon. member for Skeena made this comment:

> I think all hon. members will admit that these speeches have been more notable for their vague generalities and their hysterics than they have been for their facts or logical arguments.
>
> There is evidence now that this hysterical, illogical and incorrect thinking is spreading beyond this chamber to other parts of the country. I refer particularly to parts of British Columbia.

There is no doubt about that, Mr. Speaker. The interest in this subject is widespread in British Columbia. That is quite correct. The people of British Columbia are becoming increasingly concerned; but would he say that that is illogical, hysterical or incorrect? Would he say that the legislature of British Columbia was illogical, was hysterical, was incorrect in continuing to protect the interests of the people of British Columbia? Would he say that the various Liberal associations in Vancouver that have sent resolutions to their members here urging them to support and fight for an all-Canadian route are illogical, are hysterical, are incorrect? Would he say that the provincial members of British Columbia, in adopting the same attitude and supporting the point of view of members on this side of the house who have spoken in this debate, are illogical, are hysterical, are incorrect? Does he charge the great mass of the people of British Columbia with being illogical, hysterical and incorrect? I think not.

This, Mr. Speaker, is not an organized filibuster; it is not an organized debate. It is a spontaneous, democratic expression against the possibility of Canadians not benefiting from Canadian natural resources.

The hon. member goes on to say at page 899 of *Hansard*:

> Those who object to the granting of the charter, that is, to the birth of this company, have only one real argument. It amounts to this: Do not bring this company into the world; it might not do what we think is right. It would be just as logical to pass a law against having children, because they might not be amenable to the line of reasoning of my hon. friend.

First of all I must congratulate the hon. member on the lesson he has given the house in political obstetrics, but I must assure him of this, that his procedure would result in the birth of a deaf, dumb and blind political child. We on this side of the house believe in some form of prenatal care when it comes to births of this type.

At page 900 the hon. member goes on to say:

> Every hon. member and every individual in this country favours an all-Canadian route if such a route is economically feasible and possible. Of that fact, of course, there can be no question. These resolutions which have been passed— and I would include the resolution of the British Columbia legislature—would have been far more effective if they had included those words "provided the same is economically feasible and possible." We all favour an all-Canadian route under those circumstances.

I am surprised the hon. member has not read the literature on this subject, and that he would suggest that the legislature of British Columbia would adopt unanimously a resolution urging an all-Canadian route, if that legislature were not convinced of the fact that it is physically possible.

Mr. Goode: Did I understand the hon. member to say that the British Columbia legislature passed this unanimously?

Mr. Herridge: Yes.

Mr. Goode: Are you quite sure you are right?

Mr. Herridge: I am quite sure I am right. And to prove I am right I will read a letter I received from a member of the British Columbia legislature.

Mr. Speaker: Order. I do not think the hon. member should read in this house a letter he received from a member of a legislature. I do not think it is good practice.

Mr. Herridge: Mr. Speaker, I bow to your ruling; but I am sure hon. members will accept my word that this letter informs me that the Speaker declared the resolution adopted unanimously.

Mr. Green: So do *Votes and Proceedings.*

Mr. Herridge: I am very glad the hon. member for Burnaby-Richmond (Mr. Goode) asked me that, because when he does it would seem that he is interested in what I have to say.

Mr. Goode: For this one time.

Mr. Herridge: I wish to go on now to the hon. member for Skeena (Mr. Applewhaite). As a matter of fact I am giving the hon. member for Skeena undue advertising. This is what the hon. member said, as quoted at page 902 of *Hansard:*

> I wonder if it is fair to mention little places like Keremeos in a debate of this kind. Nothing could be crueler than to dangle before small communities the hope of cheap gas and cheap fuel and then find out that the population is not sufficiently large to justify the expense of the construction of the distribution works involved.

Alberta Natural Gas Company

In reply to that I would say simply this, that the hon. member who mentioned it did mention that Keremeos would directly benefit. The contention was that whether gas served that community directly or not, Keremeos would benefit from the over-all industrial development of the interior of British Columbia. But I would say this, that nothing could be crueler than to dangle before the eyes of the Canadian people large placards promising a new social order. Could anything be crueler than to placard this country with promises for markets for farm products, and then have the farmers find that they are unable to sell their agricultural products? Could anything be crueler than to placard this country with the slogan "Full Employment for All", and then find that we have nearly 400,000 Canadians out of work during this last winter? Could anything be crueler than to advertise the abolition of the means test for the old age pension and then, when it is suggested that it be abolished, have it abolished as the result of building up a system whereby the pensioner pays practically every cent of the pension?

The slight interruption I received from the hon. member for Burnaby-Richmond has caused me to fail to mention a publication that deals with feasibility of the route. This publication is issued by the Westcoast Transmission Company Limited, and it gives some of the facts about the building of a pipe line through British Columbia. This is in answer to the argument of the hon. member for Skeena that all would be in favour of a route through British Columbia, if it was physically practical and possible. In that connection let me read from this booklet:

> The entire length of the line has been inspected most minutely by the firm of Ford, Bacon and Davis, Inc., of New York, one of the largest oil and gas pipe line engineering firms in the world. Their report, which will be filed with the conservation board, shows the route of the line to be completely practical and economical in all respects.

I see my time is slipping away, so I shall now turn to the hon. member for Cariboo (Mr. Murray), whom I respect very much, and who appears to me to be, shall I say, a Jeffersonian liberal. He seemed to be very much concerned about the development of monopolies, and things of that kind, in Canada. At pages 910 and 911 of *Hansard* he deals at length with his first objection to monopolies, and, in part, says this:

> I think of another monopoly which found its origin in Calgary many years ago, a monopoly in connection with a basic commodity which is vital and necessary to every home owner or other person who has a stake in the country, particularly farmers and industrialists. I refer to the manufacture of Portland cement.

[Mr. Herridge.]

Then he goes on to deal with the monopoly in cement, and concludes by saying this:

> We are still paying the penalty for that. If you will look over the figures you will find that last year we imported four million sacks of cement from foreign countries. The local organization which has such complete control from coast to coast was not able to supply the cement.

That is because of the monopoly that existed. Well, I can assure the hon. member in the first place that he is entirely under a misconception if he thinks the oil industry, as it is developed in the United States, is not a monopoly. If he wishes to pay considerable attention to monopolies in this country, then I recommend that he deal with the question of the flour combine report, the matches combine and the glass combine, which have grown up and which have developed in this country under the auspices of a Liberal government.

In that connection I should like to read briefly from the congressional report of March 20, 1950, page 3673. At this point the record deals with a debate being carried on in connection with the natural gas bill in the United States. Various senators are dealing with the monopolistic characteristics of the oil and gas industry in that country. In that connection this is what Senator Gillette has to say:

> After all, we are dealing here with an industry that is characterized both by its inner structure and by its very nature as a monopoly. Let me cite here a statement made by the senator from Nebraska (Mr. Wherry), the able minority leader, which I found in an excellent report, No. 25, Eighty-first Congress, first session, entitled "Oil Supply and Distribution Problems".
>
> This was published as a final report of the Special Committee to Study Problems of American Small Business, under the capable chairmanship of the senator from Nebraska. On page 13, we find this clear and forthright declaration:
>
> "Monopoly as generally understood means control of a product both as to quantity allowed to reach the market and price. If you control the quantity you automatically control the price. Hence, the petroleum industry can be set down as definitely a monopoly."
>
> There is no need to cite chapter and verse on the character of this industry. It is enough to note that it is increasingly dominated by a few giant corporations which own and control one of the most vital natural resources modern man has ever discovered.
>
> For example, 33 of the largest oil companies hold in lease or in fee 62·5 per cent of all acreage containing natural-gas reserves. Over half of these reserves are owned by the largest 14 companies.

There is definite proof that this industry is largely monopolistic. Then, the hon. member for Cariboo is reported at page 911 of *Hansard* as follows:

> Future shipments of lumber to that country depend upon the existence of good will.

Well, we are all for the existence of good will. But we must remember this, that hard-headed businessmen buy their lumber on the

basis of value and price. If we have the commodity and if we give the value, and if we can sell it at a price they want, they will buy it.

I have several other illustrations, but my time is passing and I must now come to my concluding argument. My people are very much interested in this question because our section of the country, the interior of British Columbia, has been very much overlooked by this government. We have had some experience in this, as other members from British Columbia know. We recall the Oregon treaty, which gave permanent navigation rights from the headwaters of the Columbia to the sea, in return for giving to the United States that section of the states which now lies between the Columbia and the Pacific ocean—a great treaty right which was considered of great value. Possibly conditions have changed. But this government allowed the United States government to build a huge dam at Grand Coulee, and there is no record of this government having made any protest whatever. If this government had been protecting the rights of the people of the interior of British Columbia some protest would have been made and without question compensation would have been granted, either to maintain steamer services in that area or to provide the necessary roads to the international boundary.

This government has failed to bring under the transport board the inland lake services in British Columbia and as a result the residents along those lakes have for many years suffered a declining and inferior service. In addition to that certain branches of this government have failed completely to advertise the interior of British Columbia. They advertise the centres where the Canadian Pacific and Canadian National hotels are located, but I challenge anyone to find any reference to the interior of British Columbia in the literature put out by the dominion tourist bureau. This Switzerland of Canada is completely overlooked. Therefore are not our people justified in expressing indignation over these bills?

In comparison I would refer the house to the action taken by the state governments in the United States at a time when we in this house are fighting so that British Columbia interests may have the opportunity of using Canadian natural resources. The governments of Oregon, Washington and Idaho are keeping their people informed of the possibilities disclosed by surveys that have been made to indicate the requirements of gas for industrial and domestic uses. Committees are being organized and everybody is being aroused to the industrial possibilities of gas to be brought in from Canada. I should like to read a press dispatch from Olympia, Washington, as follows:

> Governor Langlie today predicted importation of a large and steady supply of natural gas into Washington from Canada within the next two or three years.
>
> He made his prediction as he met with executive committee members of his new state-wide industrial development committee.
>
> The governor disclosed the state public service commission has been in touch for several months with proposals for bringing in the gas. This week, he said, the commission adopted rules covering the importation to assure consumers fair and reasonable rates.
>
> Commission chairman Owen Clarke said he is sending personnel into Alberta for on-the-spot investigation into plans for piping gas into this state.

While our federal and provincial governments have taken little action in the matter the different governments in the United States have appointed committees to interest the people in the distribution of gas and petroleum. The people I represent realize the importance of this gas and its use for power and domestic purposes. I could quote a number of important arguments to support my contention and that advanced by the hon. member for Yale (Mr. Jones) and the hon. member for Kamloops (Mr. Fulton) who also represent constituencies in the interior of British Columbia, a vast empire of undeveloped natural resources.

We are going to continue to fight for the right of those people to be given an opportunity to use this Canadian natural resource. I suggest that the sponsor of this bill, whom I see smiling over there, should change the bill so that it will provide for an all-Canadian route. Then we will be ready to support it. This debate has indicated the urgent necessity of a dominion statute to cover public utilities such as pipe lines. This is becoming such a gigantic development that the present federal and provincial legislation is not sufficient to protect the interests of the Canadian people.

We in this group believe that the final solution to the pipe-line problem is public ownership. I give credit to the hon. member for Comox-Alberni (Mr. Gibson) for mentioning this afternoon that the Canadian government is losing a great opportunity by not taking over the operation of these pipe lines in order to balance the losses in other divisions of transportation. I think there are many hon. members who, regardless of party affiliation, agree that that is a legitimate proposal.

Alberta Natural Gas Company

In conclusion I wish to say that this group stands for public ownership. Not finding that possible under the policies adopted by this government, we certainly stand for Canadian interests. I beg leave to move, seconded by the hon. member for Selkirk (Mr. Bryce):

That the debate be now adjourned.

Mr. Speaker: I am afraid that according to the rules it is not in order to move the adjournment of the debate after a previous motion to adjourn the debate and before there have been some intermediate proceedings.

Mr. Knowles: Mr. Speaker, before you rule I should like to draw your attention to—

An hon. Member: He has ruled.

An hon. Member: Out of order.

Mr. Ferguson: Learn something about parliamentary rules yourself. You have sat there since the session opened and said nothing. You do not know a thing about it.

Mr. Speaker: Order.

Mr. Ferguson: We have heard enough from you.

Mr. Speaker: Order. I intend to hear what the hon. member for Winnipeg North Centre has to say.

Mr. Knowles: It is quite correct that in addition to standing order 48, which provides for the motion to adjourn the debate, there is also standing order 30, to which Your Honour has alluded, which provides that between one motion to adjourn and another there must be an intermediate proceeding.

Mr. Speaker: I will not ask the hon. member to continue because I recall that the hon. member for Montmagny-L'Islet (Mr. Lesage) moved this afternoon that the report of a committee should be concurred in by the house and in my opinion that was an intermediate proceeding and I declare the motion moved by the hon. member for Kootenay West (Mr. Herridge) to be in order.

Mr. Knowles: I can save my argument for a later time.

The house divided on the motion (Mr. Herridge) which was negatived on the following division:

YEAS

Messrs:

Balcer
Blair
Brooks
Browne (St. John's West)
Bryce
Catherwood
Charlton
Coldwell
Coyle
Diefenbaker
Drew
Ferguson
Fleming
Fraser
Fulton
Gillis
Graydon
Green
Harkness
Hatfield
Herridge
Higgins
Hodgson
Homuth
Jones
Knight
Knowles
Macdonnell (Greenwood)
MacInnis
McGregor
McLure
Noseworthy
Pearkes
Smith (Calgary West)
Stewart (Winnipeg North)
Tustin
White (Hastings-Peterborough)
White (Middlesex East)
—38.

NAYS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Bater
Benidickson
Bennett
Bertrand
Blanchette
Boisvert
Boivin
Bonnier
Boucher
Bourget
Bradette
Bradley
Brisson
Bruneau
Campney
Carroll
Carter
Cauchon
Cavers
Chevrier
Cleaver
Cloutier
Cote (Matapedia-Matane)
Cote (Verdun-La Salle)
Croll
Decore
Denis
Dion
Douglas
Dumas
Fair
Fauteux
Ferrie
Fournier (Maisonneuve-Rosemont)
Fulford
Garland
Garson
Gauthier (Lapointe)
Gauthier (Portneuf)
Gauthier (Sudbury)
George
Gibson
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Hansell
Harris (Grey-Bruce)
Harrison
Healy
Hellyer
Helme
Henderson
Hetland
Howe
Isnor
James
Jeffery
Jutras
Kickham
Kirk (Digby-Yarmouth)
Lafontaine
Laing
Lapointe
Larson
Leduc
Lefrancois
Leger
Lesage
Low
Macdonald (Edmonton East)
MacDougall
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch
McCusker
McIvor
McLean (Huron-Perth)
McWilliam
Major
Masse
Matthews
Maybank
Monette
Murray (Oxford)
Murray (Cariboo)
Mutch
Pinard
Prudham
Ratelle
Richard (Gloucester)
Riley
Robertson
Robinson
Rooney
Sinnott
Smith (Moose Mountain)
Smith (Queens-Shelburne)
Stick
Stuart (Charlotte)
Studer
Thomson
Valois
Viau
Ward
Warren
Weir
Welbourn
Whiteside
Whitman
Winkler
Wood
Wylie—121.

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, I have been listening intently to the

debate on this pipe-line bill for several days. As the debate has continued, I have become more interested, but I promise you I shall not detain the house too long.

As I understand it, this pipe-line bill would grant a charter to a company to transmit both gas and oil. I look upon this bill in the same way as if it were a bill dealing with a charter for a railway right of way. This company will be a carrier of goods and service.

Mr. Gibson: From what is the member quoting?

Mr. Speaker: Order.

Mr. Hodgson: I am quoting from the same thing as the hon. member quoted from when he spoke about an hour ago.

The debate has revolved around the route to be taken by this pipe line. I believe that either the Minister of Trade and Commerce (Mr. Howe) or the sponsor of the bill should make a statement about the route of the line. Surely someone must know where it is going. Up to date, this is the greatest natural resource that has ever been discovered, and it means a great deal to Canada's industrial development.

I shall now read from the "Imperial Oil Review":

> Alberta's Leduc field has made oil history in Canada. In less than three years it has grown from a single discovery well located in a district noted for wheat farming to more than 320 wells with a daily production of 26,000 barrels of crude.

Mr. Gibson: Try the telephone directory.

Mr. Speaker: Order.

Mr. Hodgson:

> It covers 22,000 acres containing estimated proven reserves of 242 million barrels of oil.
>
> Now, in a motion picture, the story of the transformation of the Leduc district has been recorded on film. It is a story of success after years of costly searching and heart-breaking disappointment.
>
> "A mile below the wheat" is a 16 millimetre colour film with music and voice describing how the discovery of oil affected the community and small Alberta town after which the now famous oil field was named.

Mr. Warren: From what is the member reading?

Mr. Ferguson: The hon. member never said or read anything in his life, so he should keep quiet.

Mr. Speaker: Order.

Mr. Hodgson: This is only a short paragraph I am reading. If you will let me have a moment, we will get over it that much quicker and then probably have another vote.

Mr. Warren: This is supposed to be a speech.

Mr. Hodgson: Yes. The paragraph reads as follows:

> As oilmen today continue their work of probing the depths for new wells, farming goes on much the same as if there were no other crop being harvested. But there are profound changes because of the Leduc oil—changes that affect all of Canada. There is a new prosperity in the Leduc area; there are increased revenues for Alberta; Canada is saving precious U.S. dollars that formerly had to be spent on imported oil.
>
> In the war years—and after—we were dependent on foreign oil for roughly 90 per cent of our supplies. Now since the advent of Leduc, which set off a chain of other important discoveries, prairie production exceeds western refining capacity. With continued effort and reasonable success, it is not too much to hope the men who search for oil will make Canada self-sufficient in petroleum in years to come.

Mr. Warren: Do some more reading.

Mr. Hodgson: It seems feasible to me, Mr. Speaker—

Mr. Warren: Make a speech, without reading.

Mr. Hodgson: —that it should be an all-Canadian route rather than through the United States. We, as members of a Canadian parliament, should be thinking in terms of what is best for Canada over a long period rather than just about selling one of our greatest natural resources for a few paltry dollars.

An hon. Member: United States dollars.

Mr. Hodgson: It is my firm conviction that in the transmission and export of gas from this Canada of ours the Canadian consumers should be the first to be served. By building through Canada to Vancouver, that objective will be achieved. An all-Canadian line means that many additional communities in Alberta and in British Columbia will be served with natural gas. It means that the major section of the transmission system would be under Canadian control. It means that this Canada of ours would reap the benefit of the expenditure of large amounts of United States capital in the construction of the major portion of the pipe line within our own borders. It means that all questions of pipe line rates, safety regulations and in fact all other controls would be under the supervision of Canadian authorities.

An hon. Member: Take this glass of water.

An hon. Member: What a stall!

Mr. Knowles: What was in it?

Mr. Hodgson: It is hard to say. I took a chance. He is an hon. member and a colleague of mine, and I do not think he would give me anything bad.

Mr. Speaker: Order.

Mr. Hodgson: I will take a chance on it for once.

It has been said that other charters have been granted. That is true. They have probably been granted without a route being incorporated in the bill. I think that was a mistake. Because this parliament once made a mistake is no reason why we should make a mistake twice; two wrongs never made a right.

Mr. Warren: Make a speech.

Mr. Hodgson: The hon. member for Fort William (Mr. McIvor), in speaking the other day, left the impression, in my humble opinion, that this house should be willing to pass this bill or any other bill so long as it was left in the hands of the minister, the transport committee, board or other commission, so long as he was a Liberal or they were Liberals. Seeing that he is such a fine gentleman and was willing to entrust the pipe line charter to the hands of any committee that smacked of Liberalism, I would refer him to the nineteenth verse of the third chapter of Genesis which reads as follows:

> In the sweat of thy face shalt thou eat bread, till thou return unto the ground.

That scene was in the garden of Eden and that was a long time ago.

Mr. Gauthier (Sudbury): That was not in Fort William.

Mr. Hodgson: There was no electricity at that time, and no gas or oil; and the chances are that there were no matches either. I want to tell every hon. member in this house that if we do not develop our country and develop these natural resources that have been handed down to us, we shall still be hewers of wood and drawers of water. We are here to do as good a job as we can for the benefit of Canada. If we do not do that, we are lax in our duty as members of parliament.

Somebody else in this debate said that if this pipe line bill did not pass, there would be no competition; and if it did pass, it would give competition so far as pipe lines are concerned. As a result of learning what I can about the matter, I understand that only one pipe line will be built anyway and that one pipe line will carry the whole production of that area at the present time. As a free enterpriser I believe that the life of trade is in competition and not in monopoly. The hon. member for Skeena (Mr. Applewhaite), speaking on monopoly, as reported at page 900 of *Hansard*, had this to say. I will read what he said at that time.

Mr. Warren: Read it.

[Mr. Speaker.]

An hon. Member: Was it a good drink?

Mr. Hodgson: He said:

> I do not think it has even been denied that the refusal to incorporate any more pipe-line companies in the west would have the effect of establishing a monopoly for the one company which already has its charter. That is not a monopoly compelling that company to build through British Columbia. As the bill has been passed and as the bill stands today, there is no restriction whatever, legally, upon the company, forbidding it to build anywhere in the world it likes, provided that it can get the necessary permits.
>
> We are asked to defeat this bill. On what ground? On somebody's vague suggestion as to the intentions of this company and the intentions of the existing company, as to whose intentions there is and can be no definite proof until each company restricts its applications before the board of transport commissioners to one route and one route only. I have said this would result in the establishment of a monopoly. I repeat that this is not a monopoly which compels the existing company to build an all-Canadian route. It is not a monopoly which compels the existing company to build any route. It is a monopoly upon which, if they choose, they can just sit on their exclusive charter and do nothing, and Alberta can whistle for markets and British Columbia whistle for gas indefinitely.
>
> It has been suggested that we must eventually land up with a monopoly for practical reasons; that only one pipe line is feasible. That may or may not be true, but in any event it is only partly true.

Mr. Warren: We cannot hear you when you are reading. Make a speech.

Mr. Hodgson: I continue:

> In the first place, why establish the monopoly in the negotiation stage? Why should we guarantee any chosen instrument freedom from all fair competition by any other at any time? We are told that we are going to find ourselves with a monopoly as the result of a sort of accident.

I do not think it is any accident, Mr. Speaker, because there has been a great deal of debate on this question and surely they cannot all be wrong.

An hon. Member: Most of them are.

Mr. Hodgson: Two routes have been mentioned. Of course they have to get over the mountains, and the Yellowhead pass is one route that has been mentioned. Some of the previous speakers would have you believe that they were just going to go around the borderline or around the hill or around the fence or something of the sort and back into Canada.

An hon. Member: Follow the government.

Mr. Hodgson: Follow the government; just go over the borderline and back again. I do not know whether many hon. members have seen a map of this proposed route, but I happen to have one.

An hon. Member: Table it.

Mr. Hodgson: I do not know that it would do you any good if I did table it; you are

too ignorant to look at it. You would not believe it if you did look at it.

Mr. Gibson: You would not know where you were going if you saw it.

Mr. Hodgson: This Canadian route has to go through the Yellowhead pass—

An hon. Member: One thousand miles.

Mr. Hodgson: —down through British Columbia, and it will serve the communities in that province on its way south.

Mr. Sinnott: Where is the Yellowhead pass?

Mr. Ferguson: You would not know.

Mr. Hodgson: I have a map of that, too.

Mr. Sinnott: What part of British Columbia?

Mr. Hodgson: The southern route goes through the Crowsnest pass and down into the United States.

Mr. Cote (Matapedia-Matane): On a point of order, Mr. Speaker, the hon. member is reading his speech.

Mr. Hodgson: Mr. Speaker, there are none so blind as those who will not see.

Mr. Speaker: Order. I understand at the present time the hon. member is not reading his speech; he is reading a map. I have never been asked to rule on that question before, but I must rule on another question, namely, that there must not be so many interruptions. I must insist that the hon. member who has the floor be allowed to proceed without interruptions.

Mr. Hodgson: As I said before, this proposed route does not go over the border a mile; it goes over the border 130 miles and down to Spokane. Then it goes west somewhere between 300 and 400 miles, and before it comes to where it crosses that state there is a branch that goes south again to Pendleton another 120 miles. When it goes south and west and then south again it goes down to Portland, Oregon, a distance of over 350 miles from the Canadian border. This pipe line is going to develop the whole northwest corner of the United States. It goes clean across the state of Washington before it ever starts north toward Vancouver. After it goes west, when it turns north it has to go another 140 miles to get to Vancouver. Therefore this proposed route will develop at least 350 square miles of the United States before any gas gets back into Canadian territory.

Mr. Murray (Cariboo): It is a thousand miles long in Canada, though.

Mr. Hodgson: Well, I would like to see it 3,000 miles long in Canada.

Mr. Murray (Cariboo): It goes along the 49th parallel.

Mr. Ferguson: A thousand miles in Canada is the limit of your ambition.

Mr. Speaker: Order. Again I must remind hon. members that they must not interrupt the hon. member who has the floor.

Mr. Hodgson: I have very little idea of the amount of gas that may be produced in Alberta, but I do know that if some hon. members would only stop to think they would get some information into their heads. I was talking to a couple of local members and they had not even read the bill. Yet they thump their desks and make a lot of noise in here.

This pipe line will develop the United States. What I am fearful of is that this part of the United States will develop so fast when they find out that they are going to get gas that it will be to the detriment of British Columbia and Alberta. When the pipe line is under construction houses will convert their heating systems to use gas, industries will be developed all along this pipe line with the use of gas. I am fearful that very little gas will ever get back into Canada to be used in Vancouver or in any part of British Columbia. You will get only what is left after the other fellow is through with it.

I do not want to deprive the United States people of anything, but I do want to see Canadians get the benefit of this utility first. I have many friends in the United States; I have business associates there. Hardly a month goes by that I do not do business with some United States firm or some individual in that country. But every time a citizen of the United States gets a concession he never relinquishes it. I know that in my own business back in 1922 United States lumber wholesalers said to us: "We are going to buy your lumber at 2 per cent, 30 days." Previous to that time they used to pay cash and never more than 30 days. They said: "We are going to buy your lumber at 2 per cent, 30 days." We accepted, yes. We accepted it like the fellow on the street who walks up to another man and puts a gun to his ribs and says: "Give me your watch." The United States was the only market we had at that time, other than the Canadian market. It was the only place to which we were exporting. These people still hang on to that concession. They have hung on to it through good times and bad. They have never relinquished their hold on that set-up in the lumber business. Even during the war they still hung on to it. The hon. member for Comox-Alberni, who is a lumberman, knows that what I am saying is true.

Mr. Gibson: We like that business.

Mr. Hodgson: It is a good business, but we would rather have it cash, 30 days, and not 2 per cent, 30 days. When you consider that 2 per cent, it amounts to 12 per cent per annum, which is not a bad profit in itself. It is no fault of the people of the United States. That is their way of doing business. They would not think any the less of us if we protected ourselves first. It is possible for us to protect ourselves in any business, and they will not think any the less of us. They will still do business with us, I am sure, if Canada takes care of developing her own natural resources for the benefit of Canadians first. No citizen of the United States will think any worse of us if we do that. They would still have a friendly feeling toward us. They will be glad to take what is left over after our needs have been supplied rather than have Canadians take what is left over.

Just recently the Canadian National Railways sold their mineral rights in a lot of property in the western provinces. I think they should have held on to them for this very same reason. There is going to be natural gas and oil produced or found in that area, and a pipe line will be needed to transport it. It will certainly be transported by pipe line when it is discovered in large enough quantities to warrant such a line.

I think it was a mistake. I am not so enamoured of private enterprise that I cannot see the need for national undertakings at times. Probably that may sound a little bit socialistic, but it would be to the benefit of Canada. The Canadian National Railways are operated in that way. The Ontario hydro is handled in that way. The other day the Minister of Trade and Commerce (Mr. Howe) spoke about Polymer. He said that was his enterprise, and that he was proud of it. He should be proud of it. He is proud of it, and rightly so. If we have to grant charters, if we have to give away natural resources, to get somebody to put up a few dollars to build a pipe line, then I think the government of Canada should build a pipe line itself. It is a national enterprise. It is something that is ot going to just one province. Eventually it will go through the United States. I would be satisfied if the government had gone so far as to say that it would build this pipe line and have it owned by Canadians, for Canadians, and for our future generations.

Anyone who looks through the list of bills which have been passed in earlier sessions of parliament, particularly in the one last spring, will see bill after bill introduced by private members in which they have asked for things which would be all-Canadian. They have wanted this thing or that thing to be Canadian, and their wishes have taken different forms. I have no doubt many of the things for which they have asked would have been beneficial.

However, I would ask those same members, the members who signed those bills, who sponsored them and followed them through the house, to think commercially for Canada for a few moments. Let them make up their minds how they will vote on this question. Let them decide whether they want something that is all-Canadian, or something that is tied to the United States or to some other country.

I believe all hon. members will agree that, from the standpoint of defence, we can appreciate our hook-up with the United States. We appreciate, too, our commercial position in relation to that country. At the same time, as Canadians we must look first to the development of our natural resources, for Canadians.

In his speech the hon. member for Skeena (Mr. Applewhaite) said, as reported at page 901 of *Hansard*:

> What about the consumer? Have we no responsibility for the consumer? I assume every hon. member will agree that the final cost to the consumer must depend very largely upon the cost of the capital works involved. And this brings me to a reiteration of a statement that I have made before, that we all favour the principle of an all-Canadian route. Why on earth would we not? But not if such a route is going to have the result of materially adding to the costs of home owners and the costs of production for ever to those who want to use gas as fuel or as power.

Mr. Speaker, there is one thing to be said, and that is this, that there will not be any Canadian consumers in British Columbia if this route goes down to the south. If it goes through the Yellowhead pass and the interior of British Columbia it will serve the Canadian consumer in British Columbia and other parts of western Canada.

Then, so far as price is concerned, I do not think there is any member who can tell what the cost of this route will be. Even if it did cost a few dollars more, taking for granted that the Yellowhead route might be more expensive—and I doubt if it would—but even if it did cost a little more, the Canadian consumer would reap the benefit. Even if it cost one or two cents more per month to heat his home, is it not better for him to have that service and to save perhaps $100 in a season, the difference between heating by coal and by gas? It is much better to pay a few cents a month more than to have to heat his house with wood or coal.

Like many other members, I am the father of a family, and I look to the future of Canada and to the younger generation coming along. I say to hon. members that I am most anxious to do my part to build a better Canada for all young Canadians so that they may find

employment, so that this country may be developed, and so that future Canadians will be able to look back, in the years to come, and realize that those of us who are here today have builded better than we knew.

Many new members have come to the House of Commons in the last election. They seem to have learned fast. Among them are some bright gentlemen, and I have been pleased to meet them and to accept them as my colleagues. But they have developed into the greatest desk thumpers we have ever seen in the House of Commons in the last five years. That trait has developed quickly, and they seem to hang on to it. Hon. members will recall the way they went after me when I began my remarks. Of course, I did not mind, because one must be prepared for that in the House of Commons. If that is what they think they are here for, and if they are pleased about it, then I shall be pleased too. But let me say this one word to them: Do not forget that, no matter what happened in Canada before, you are the heirs of the past; you are the trustees of the future. Think that over before voting on this question.

We are approaching the Easter recess, and the debate on this matter has been lengthy. Perhaps there will be more of it. However, I think it would be well if all hon. members had the opportunity to go back home and talk this over with their constituents before attempting to decide the issue here. It is not going to take much more time to wait until after the Easter recess for the vote.

Therefore, seconded by the hon. member for Haldimand (Mr. Catherwood), I move the adjournment of the debate.

Mr. Speaker: When a similar motion was made earlier this evening I raised the question as to whether it was in order to move in succession two motions to adjourn the debate, without an intermediate proceeding. The hon. member for Winnipeg North Centre (Mr. Knowles) rose to discuss the matter. Then I decided that since there had been an intermediate proceeding the point of order did not arise.

At this time, however, I should be glad to hear any hon. member on the question as to whether a motion to adjourn the debate can follow a similar motion, without an intermediate proceeding.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I was on my feet before, when Your Honour interrupted and suggested that what I was saying was not necessary, for you had decided that the previous motion was in order. I indicated, however, that I was prepared to make my remarks later, if necessary.

As I suggested then, standing order 48 is the one that makes provision for a motion to adjourn the debate. It reads:

> When a question is under debate no question is received unless to amend it, to postpone it to a day certain; for the previous question; for reading the orders of the day; for proceeding to another order; to adjourn the debate; or for the adjournment of the house.

It is to be noted, of course, that if there are any other standing orders that limit the application of this standing order, they have to be taken into consideration. Your Honour therefore raised the question as to the meaning of standing order 30, in its relation to standing order 48. Standing order 30 reads:

> A motion to adjourn (except when made for the purpose of discussing a definite matter of urgent public importance), shall always be in order, but no second motion to the same effect shall be made until after some intermediate proceeding has been had.

Two questions arise, the first of which is this: Is a motion to adjourn the debate covered by standing order 30, which specifies a motion to adjourn? And, secondly, what is an intermediate proceeding?

We turn to citation 164 in Beauchesne's third edition, and find this paragraph:

> The term "intermediate proceeding" used in standing order 30, means a proceeding that can properly be entered on the Journals. The true test is that if any parliamentary proceeding takes place, the second motion is regular, and the clerk ought to enter the proceedings to show that the motion in question is regular. It is usual to alternate motions for adjournment of house and debate when a question is under consideration.

And then follows the notation "B.322,323" which, of course, indicates that that citation was taken from Bourinot's fourth edition, at pages 322 and 323. As a matter of fact the quotation which Beauchesne gave from Bourinot has been altered slightly, but not to change its meaning, except in so far as part of it has been omitted. I should like to quote the rest of that paragraph from Bourinot where he says:

> The true test is that if any parliamentary proceeding takes place, the second motion is regular, and the clerk ought to enter the proceedings to show that the motion in question is regular. It is usual to alternate motions for adjournment of house and debate when a question is under consideration. In case there is a substantive motion of adjournment before the house, and it is negatived, some proceeding must be had in order to render a second motion to the same effect regular.

I pause to emphasize that the reference there is to a substantive motion of adjournment. I go on:

> A message from the governor general followed by other proceedings would be sufficient to render a second motion of adjournment valid.

I want to emphasize the concluding sentence in this paragraph from Bourinot:

> The rule applies literally to the adjournment of the house, and not of the debate—

In other words, Bourinot quite clearly says that when it is a motion to adjourn the house, the rule must be applied literally and some other proceeding must intervene, but that the rule does not apply when it is a motion to adjourn the debate. Let me read the whole sentence:

> The rule applies literally to the adjournment of the house, and not of the debate, but it is usual and convenient to make an entry in the Journal between two motions of the latter character.

In other words, between two motions to adjourn the debate there should be an entry in the *Journals* to show that something has happened in the meantime. That paragraph ends with a reference to a footnote (u) which refers to a number of instances in *Hansard* of bygone days. I have taken the trouble while this debate has been going on to look up all of those references back in 1891 and I have on my desk both the *Hansard* and the *Journals* of that year. The instance that occurred on June 22, 1891, was a case where there had to be some intermediate proceeding of another character because on that occasion the two motions were motions to adjourn the house. It will be found on page 1198 of *Hansard* of June 22, 1891, that Mr. Laurier, as he was then, moved the adjournment of the house. The yeas and nays were called and the motion to adjourn the house was defeated by a vote of 103 to 83. Then there appears a list of the pairs and so on and before another motion to adjourn the house could be made there had to be an intervening proceeding of some other character exactly along the lines Bourinot sets out when he speaks about a message from the governor general being sufficient. As reported on page 1199 of *Hansard* of June 22, 1891, the next item of business was as follows:

> Sir John Thompson presented a message from His Excellency the Governor General.
>
> Mr. Speaker read the message as follows:
>
> Stanley of Preston.
>
> The governor general transmits to the House of Commons, further papers relating to the extension and development of trade between the United States and the Dominion of Canada, including the colony of Newfoundland.
>
> Government House,
> Ottawa, 16th June, 1891.

The next item is the third reading of a certain bill, and then we come to another motion to adjourn by Sir Hector Langevin, and then there is this entry:

> Motion agreed to; and house adjourned at 1.50 a.m. (Tuesday).

That is a case where the two motions were motions to adjourn the house. Bourinot refers to that case as an example where there must be an intervening proceeding of another character, and *Votes and Proceedings* so records it. However, if you take the first of the references that Bourinot gives on page 323, namely, May 21, 1891, you find that the case referred to there is of the kind now before the house. The matter under discussion on that occasion was quite interesting. It was a resolution calling for prohibition, and it seemed to provoke considerable debate. As recorded on page 362 of *Hansard* of May 21, 1891, there was a motion to adjourn the debate. This was protested and there was a recorded vote and the motion to adjourn the debate was defeated by 74 to 65. The debate went on and there was no other intermediate proceeding—I have checked it carefully in *Hansard* and I will substantiate what I say in a moment by reference to the *Journals*—until we get to page 383 when another member moved the adjournment of the debate. That was voted upon and the recorded vote appears at page 386. That time the motion to adjourn the debate carried by a vote of 98 to 80.

May I say that the whole affair is well covered in the *Journals* for the session of 1891 at pages 150 and 151. Hon. members will find the whole matter fully recorded there. I quote from page 150 as follows:

> And a debate arising thereupon;
>
> Mr. Sproule moved, seconded by Mr. Taylor, and the question being put, that the debate be adjourned; the house divided: and the names being called for, they were taken down, as follow:
>
> The vote was 65 yeas and 74 nays.
>
> **Mr. MacDougall:** Read the names.
>
> **Mr. Knowles:** Then it is recorded:
>
> So it passed in the negative.

Let me go on and read everything that appears between that recorded vote and the next recorded vote so that it will be perfectly clear that all that transpired between the first motion to adjourn the debate and the second motion to adjourn the debate was further debate on the same motion with regard to prohibition that was before the House of Commons at that time. I go on to read:

> And the question being again proposed on the amendment to the said proposed amendment.
>
> Mr. Gillies moved, seconded by Mr. Cameron (Inverness), and the question being put, that the debate be adjourned; the house divided: and the names being called for, they were taken down, as follow:
>
> The vote was 98 yeas and 80 nays and then there is a notation:
>
> So it was resolved in the affirmative.
> And then the house adjourned till tomorrow.

I submit that it is quite clear that Bourinot had this record of what happened in 1891

before him when he wrote the citations that appear on pages 322 and 323 of his fourth edition. There he makes it very clear that when the motion to adjourn the house has been made there cannot be another motion to adjourn the house until there has been an intermediate proceeding of another character, but that when a motion is made to adjourn the debate another motion can be made later on to adjourn the debate even though there intervenes in the meantime only further debate on the question before the house.

I submit that the case before us is on all fours with the one in 1891 and that the present motion is in order. After all, it is a different motion from the one we had before. The house may have defeated the motion to adjourn the debate this afternoon, or before supper, or at half-past eight, but the motion now before us is to adjourn the debate now, or in other words at 9.40 p.m.

Mr. Fournier (Hull): Mr. Speaker, I always thought that the standing orders and rules of the house were based on common sense and, secondly, that the House of Commons was master of its own procedure and of what takes place in the House of Commons. I have listended to a flood of words and a reference to what took place in 1891. While I was listening with one ear I was trying to understand the meaning of standing order 48 and the citations thereunder. Standing order 48 reads:

> When a question is under debate no motion is received unless to amend it . . .

That is the first part. If you turn to citation 403 under that standing order you will see that it reads:

> An amendment once negatived by the house cannot be proposed a second time.

Mr. Knowles: That is distortion.

Mr. Fournier (Hull): Wait a minute. Let us try to give some meaning to this standing order. Suppose I move an amendment to the motion before the chair, it is voted upon and defeated, and then half an hour later another speaker moves the same amendment; it would be out of order. That seems to be common sense.

Mr. Knowles: That is right.

Mr. Fournier (Hull): Take the standing order and read it. It reads in part:

> When a question is under debate no motion is received unless . . . for the adjournment of the house.

About forty minutes ago—

Mr. Knowles: For the adjournment of the debate.

Mr. Fournier (Hull): The adjournment of the debate. About forty minutes ago an hon. member rose, made a speech and moved the adjournment of the debate. The same motion was moved before six o'clock. In its wisdom the house has decided that the debate should not be adjourned, and we have voted twice on the same motion. What difference do you say there is, in giving a meaning to this standing order, between moving an amendment which is defeated and trying to move it a second time? You are amending the main motion by asking that the debate be adjourned.

Mr. Ferguson: The difference is—

Some hon. Members: Oh, oh.

Mr. Fournier (Hull): Here is a good lawyer.

Mr. Ferguson: Listen to your crows. The difference is that between fair treatment of members of the house and Liberal bureaucracy. That is the difference. You are trying to railroad these things through.

Mr. Fournier (Hull): Railroad it after all these months?

Mr. Ferguson: Liberalism.

Mr. Fournier (Hull): I am sorry one of my best friends in the house takes it that way. I think he is making a mistake. If the majority is not going to rule in the house and in the country then we will have chaos. I always thought that I came here as a result of being elected by a majority. I have respect for the minority and for my opponents. I always thought that the government was formed by the majority of the members of the house. In the last month I have seen that the majority has nothing to say. If you give that interpretation to the standing orders and the rules it becomes ridiculous, and the press of the country is taking a stand against such procedure. How can serious men stand up here and justify it? They know that this motion to adjourn the debate is going to be defeated. Yet they will stand up and move it. They are a minority in this house; they are a minority on this motion—

Mr. Smith (Calgary West): Who started this? Maybank.

Mr. Ferguson: May I ask my friend a question in all sincerity? There are times when the majority is wrong. Thank goodness precedent governs and holds in check majorities who believe they are right. The benefits derived from precedents restraining majorities have been a godsend to the world. Do you sincerely believe that because you are elected to parliament by a large majority anything you say is absolutely correct and not debatable? I am surprised at my friend.

Alberta Natural Gas Company

Mr. Fournier (Hull): If the hon. member wishes to make a speech on the point of order I will listen to him attentively and will not raise my voice. I think I am discussing something that the hon. member will never understand. I was trying to deal with the point that the house has decided one question twice during the day. The majority may be wrong and the minority may be right, but how are you going to change the rules and the law?

Mr. Ferguson: We do not want to; we want to abide by them.

Mr. Fournier (Hull): Do you want to occupy the government benches without having the support of the people of the country?

Mr. Ferguson: You do.

Mr. Speaker: Order.

Mr. Fournier (Hull): We have met the test. We do our best and when you count the ballots we do not seem to be on that side. We are on this side. If you think the minority should be sitting here without having the support of the people, then I think you are all wrong as to the procedure of the house or the standing orders. Their main purpose is to provide for the regulation of debate. I am speaking from the point of view of the respect of people for the House of Commons. You are turning it into a kind of burlesque by having three votes to adjourn a debate when you know—and if you do not know you are quite ignorant—that the house is going to vote you down. We have done it twice today and you are going to lose this time. You are just repeating it because in your minds you think you are right and everybody else is wrong. I do not think that is a good procedure.

I am not particularly interested in these measures. I did not even vote on the last two motions to adjourn the debate, but it has reached a point where I think it is the responsibility of the one leading the house at this time to point out that as serious men representing the people you are carrying these discussions to the extreme. We know what the members who have spoken on the bill have said. I respect those who have spoken and the views that they hold. What do you want to prove? You have tried to prove it by your speeches and you have tried to prove it by votes. How do you think the business of government can be carried on if you are right in your pretension that you can adjourn the debate twenty times a day? No government or parliament could proceed with the business of the country on that basis. I really plead with the house not to lower itself in the opinion of the public.

Mr. Knowles: Will the minister permit a question?

[Mr. Ferguson.]

Mr. Speaker: Order.

Mr. Knowles: Just one question.

Mr. Speaker: Order. In view of the remarks of the Minister of Public Works (Mr. Fournier) I wonder if the hon. member wants to proceed with his motion?

Mr. Hodgson: Mr. Speaker, if hon. members had maintained order in the first fifteen minutes when I was speaking I would not have moved the adjournment of the debate, but I am going to stand by my motion now.

Mr. Speaker: Hon. members who have spoken have brought to my attention standing order 48 and standing order 30. I do not need to read them again. The hon. member for Winnipeg North Centre (Mr. Knowles) has raised the question whether standing order 30 applies equally to motions to adjourn the house and motions to adjourn a debate. He has read a number of citations from Bourinot and Beauchesne. He has referred me to an instance in the house in 1891—I do not think a ruling was made—when there were two motions to adjourn the debate which followed one another without an intervening proceeding. That is the only instance which has been brought to my attention. He has, however, read several citations. He read a citation from Bourinot's fourth edition, pages 322 and 323, with regard to intermediate proceedings. The last sentence of that reference reads as follows:

> The rule applies literally to the adjournment of the house—

I take it that the rule referred to is standing order 30. There can be no doubt as to the procedure under standing order 30. The rule applies literally to motions to adjourn the house. But it does not apply literally to motions to adjourn the debate. Hon. members will note that the word is "literally". The citation continues:

> —but it is usual and convenient to make an entry in the journal between two motions of the latter character.

Although a literal interpretation of standing order 30 makes it apply to the adjournment of the house, I take it that a broad interpretation would make it also apply to the adjournment of the debate. In any event, we have authority for the words, "it is usual and convenient to make an entry in the *Journal* between two motions of the latter character".

I might remind the house again that the only instance we have in which there were two motions to adjourn the debate without any intermediate proceeding was in 1891. Since then it occurs to me that we may have established a different practice in this house. No reference has been given to me tonight

wherein a Speaker has ruled that there does not have to be an interim proceeding. The references which were given to the house were not Speakers' rulings. One must give the member for Winnipeg North Centre (Mr. Knowles) full credit for finding an instance in 1891, when two such motions without intermediate proceedings were allowed. I repeat however that the Speaker did not make a ruling.

Beauchesne, in his third edition, which is the latest work we have on procedure in the Canadian house, in citation 164 states:

> The term "intermediate proceeding" used in standing order 30, means a proceeding that can properly be entered on the Journals. The true test is that if any parliamentary proceeding takes place, the second motion is regular, and the clerk ought to enter the proceedings to show that the motion in question is regular. It is usual to alternate motions for adjournment of the house and debate when a question is under consideration.

Even though it carries forward in part an extract from Bourinot, that is the citation from the latest authority. I realize that this discussion is probably of little effect, because the hon. member could change his motion to a motion for the adjournment of the house. Then, another motion could be moved to adjourn the debate. We are not making much progress. It is customary for the Clerk to make an entry between these motions. I would allow the hon. member who moved this motion to change it to a motion for the adjournment of the house. Perhaps I should not have said that, as I see the hon. member has risen, and perhaps desires to withdraw his motion.

Mr. Hodgson: Mr. Speaker, under the circumstances, and in view of the position in which you find yourself, I will withdraw the motion. I will never withdraw another motion, however, unless those desk thumpers give us more order.

Mr. J. H. Harris (Danforth): Mr. Speaker, with all respect to you, I cannot help recalling the song, "Carry me back to old Virginie . . . the place where I was born." When I heard the date 1891 mentioned just now, it occurred to me I should like to pay my highest respects to Bourinot, and everything that has transpired during the time I have been privileged to be in this house. I was thinking of something that happened to me a few years ago when I was a young man. There was quite a crowd in the crystal ballroom of the King Edward hotel, and I was quoting Emerson. I quoted him once and got away with it, and when I quoted him the second time in a loud voice it awakened someone among the representatives of the press, who said in a loud voice, "Emerson? He is dead." Perhaps some of these statutes might be forgotten, so that we might have an opportunity of getting on with the business of our country as fast as we possibly can.

Mr. Speaker, to help these desk thumpers to realize the magnitude of the business that confronts them, I am going to make another suggestion, and a simple one. On the table here, sir, or on the floor in front of us, there should be a globe showing the oil potentialities of the world; the gas potentialities of the world; the wheat potentialities, and all the other features of our civilized economy.

An hon. Member: Butter.

Mr. Harris (Danforth): Someone mentions butter, and I could talk about that too. Instead of having to look across the floor all the time, we might look at that globe and dream about what we have in this Canada of ours. We might even visualize our responsibilities in regard to these natural resources that we have. I say to the hon. members of this house, through you, sir, that we all have great responsibilities in regard to the natural resources of this country. Look at the two maps which we have before us. We know that gas and oil were discovered before, but they have been discovered to a greater extent in the last few years.

According to the sponsor of this bill, 85 per cent of the cost is going to be paid for in United States dollars. We are hungry for United States dollars, and we are going to be paid in those United States dollars. If the hon. member for Fort William (Mr. McIvor) will remain in his seat, I have something to say to him. When I see not only gas but oil going, I say, let us be sensible members of parliament. Where the gas goes, oil will go, perhaps not for a decade but later on. When it goes, Mr. Speaker, it does not come back. Be sensible. You know that. To my friends from Vancouver I say this. I hope you will live a few years yet, most of you. In looking over to my right I see the hon. member for Comox-Alberni (Mr. Gibson); he is still here.

Mr. Gibson: Yes, I am here.

Mr. Harris (Danforth): To them I would say: In your day and generation, if this bill goes through, you will not see much gas or oil coming back; not nearly enough to satisfy the desires and wishes of that sparsely populated, wonderful and marvellous province of ours known as British Columbia, which, as many of you know, has gripped the imagination of the world. But while it has gripped the imagination of the world, it has not gripped the imagination of immigrants sufficiently or attracted a sufficient number of

them to fill it up; and it has not gripped investments sufficiently to develop it to the extent that it will be developed.

As I sit here and see in my mind's eye the map of the world, and contemplate the world's potentialities, I realize what a privilege I have had in going round the world and seeing what has happened to oil in other places, and what oil and gas will do for a community. Glendavis in Australia, and the state of New South Wales, a few years ago put up 666,000 Australian pounds, matched by the Commonwealth of Australia; and some of my associates whom I learned to love and admire put up a like amount to make 2 million Australian pounds sterling in 1941, 1942, 1943 and 1944. For what purpose? They lacked in Australia, and this is true of New Zealand as well, oil and gas with which to develop the country and to defend themselves in the last great war. They depended entirely on the United States of America. So those three organizations banded themselves together and what did they do?

When they found the predicament they were in, they checked the whole Commonwealth of Australia and found some shale deposits which had a bearing of oil, not to the same degree as has been found in Estonia, now behind the iron curtain, but still a certain bearing of oil. They banded themselves together because there was a war on and oil was vital to their existence. They were not sure whether the United States—Texas and the other states—could provide them with sufficient fuel to protect themselves.

I do not know whether my next sentence should be uttered, but now that the war is over I think I may say it is common knowledge that, finding themselves in that predicament, without oil and without gasoline, and without gas to propel their protective devices of one kind and another, they drew their defence lines back from the north part of Australia to a point close to the centre line of the country, with a view to making a last stand when that was necessary. But, thank God, the United States and the allied nations were able to keep pumping oil and fuel into that country of theirs and they were able in that remote part of the world to defend themselves.

When the hon. member for Nanaimo (Mr. Pearkes) rises in his place and says that, for our self-preservation and protection, we should not give away this natural resource which Providence has given us, I have no hesitancy in endorsing his statement. When the hon. member for Vancouver-Quadra (Mr. Green) says the same thing, I have no reason to say that I am opposed to the idea. But, let there be no mistake whatsoever, I am absolutely opposed to the method being used to put this bill through. When I said in a few words this afternoon that I thought this was a government-sponsored private bill, I was hearing the voice of experience. I believed everything I said at that time, whether you did or not, Mr. Speaker; and I am surprised that public opinion is not aroused in this country at the suggestion that this great natural resource should be—and I am going to use the word—exploited. That is what you are going to do. Rarely, if ever, Mr. Speaker, will you find me reading a speech or a quotation to Canada's House of Commons; but I have here a clipping which makes me feel that I could talk on all through the night against this particular bill and its twin brother, the one which was postponed for a little while, when I find that pipe line bonds jumped from $100 in share value to $300. The heading of the article is "Without Precedent in Market History, Pipe Lines at $300." Must I read that whole article? No, I do not read anything in the House of Commons if I can avoid it. But here are a group of men sitting behind mahogany desks, in mahogany chairs, going to exploit this proposition. I will give you the reference. You can read it for yourselves and draw your own conclusions. It is dated March 25, published in a Toronto paper, under the heading "Trends and Prospects in Field of Enterprise, in Oil". I will not mention the name. Get the quotation yourselves. They are a responsible firm. What a clean-up they are going to make on these pipe line securities. I have not time to put it all on the record. Somebody else can do it. I have a great deal more I want to say. It reads in part:

> Bond trading during the past week was marked by fractional easing in prices of a number of Dominion of Canada high-grade issues . . . A total of $29,500,000 . . . the largest of these, $20 million.

Then it goes on:

> An issue of Canadian Western Natural Gas Company $8 million 3½ per cent debentures due April 1, 1971, will early next week be offered at par . . .

And in the heading it is stated that the price has moved up to $300. You will always have that sort of trading, Mr. Speaker. You will always have people who will live by their wits. That group is perhaps only one out of a hundred. The rest of us will plow a lonely furrow or we shall earn our money so that it makes it easy for us to sleep at nights. It is my high privilege to be doing that now in Alberta, in Calgary, burning natural gas. I was privileged to start two enterprises there. Neither of them has made a dollar yet but they will for the future generations that my good friend the hon. member from Victoria, Ontario (Mr. Hodgson) was

talking about. In the meantime we have a vision of what Alberta and British Columbia mean to the Anglo-Saxon race.

Sitting with me in the Savoy hotel some three or four years ago were some Englishmen. We decided that we would start these enterprises. One of the reasons was that fuel was cheap and that we could get help there. I have in front of me the financial statement of the Canadian Organic Development Limited. It is my high honour to be the president of it and its subsidiaries. I find that the judgment which was used some four years ago in London, England, may not have been as sound as it might be. I notice here a red figure of $271,683.52 for one organization; $111,592.22 in red figures in the other; and $29,768 in red in the third. There is a credit balance of $13,945 in Edmonton. But that does not matter. We have faith in Alberta; we have faith in British Columbia.

I know what I am talking about, Mr. Speaker. There is no place in the world where fuel is as cheap. As you who are in business know, fuel comprises anywhere from 20 per cent to 40 per cent of the cost of production. There is no other place in the world where fuel can be found which is as cheap as in Alberta. I plead with the house. I use the words of the Minister of Public Works (Mr. Fournier). He pleaded with the house. Let some of the rest of us plead with the house that we keep these natural resources in this country, and bring here people who will develop them. How are they going to do it? It was my privilege to ride by plane over the pipe lines of Iraq and Iran, to see the sand, the desert and what not; and in the same period to see what pumping water on the sand accomplishes. I saw that it would grow almost anything. Let me give you one example. I saw it in Mildura, Australia, where water was brought to the sand. As soon as it was brought from the Thomson river, the area which was irrigated supplied half the world with raisins and currants. I saw the camels in Nigeria go round and round. They brought buckets and buckets of water. I saw the grapes and tasted the wine made from the grapes that were produced on that soil. I am thinking of British Columbia. I am thinking of those irrigated areas such as we have seen in the Kootenay valley. I am thinking of the other irrigation schemes that some hon. members have in the backs of their minds.

I am thinking of the dreams of the previous member for Davenport, who visualized what might be done for western Canada if water were brought to those areas where the sand blows so often, and how it might be irrigated. I am thinking of the oil and gas so close to Lethbridge, which might be used for pumping water to irrigate that area, for generations to come. I am thinking of the sandstorm over which I flew over Lethbridge a couple of years ago. We had to go so high to get away from that sandstorm, and finally we had to land in Calgary and go back by train. I am thinking of the oil in Calgary. I am thinking of the oil and gas which might be used not only for irrigation of those provinces but to pump water to irrigate Kelowna and Penticton. I can remember most of them, but I am not going to take the time to repeat them to the house. There are a lot of them out there that need water for irrigation, but they need gas and oil to pump the water to where they want it when they cannot get enough from the mountainside. I am thinking that one and all should pause before we give away our birthright for a mess of pottage.

An hon. Member: Oh, oh.

Mr. Harris (Danforth): Someone chuckles. I am very serious in what I say. My hon. friend from Ontario has not got a monopoly on things even if he happens to have nine children. A grandchild of mine was born yesterday, and I am thinking of our youth when they come along.

Mr. Martin: I hope he is going to be a Liberal.

Mr. Harris (Danforth): He is fairly liberal at twelve pounds, but apart from that the last word that I have had is that he is quite all right. We have to think of them. This is no idle chatter. If some of you younger members will look at the statistics you will find out for yourselves that there are more Canadians in the United States than there are in Canada. That information might make you stop and think a little bit. Even though we have a cold northern climate I say in the same sentence that there is no country in the world that offers greater opportunities than Canada. I have been round the world except for Japan and China. You can have them. I have got behind the iron curtain only once, and I do not want to get behind it again. But no matter where I have been, I tell you I cannot visualize in my most quiet moments any better opportunity than we have in this country.

I ask this simple question: If you are going to take care and be responsible for those opportunities, what are you going to do about those God-given resources that are at your elbow? Are hon. members going to sit in this chamber and let their constituents be hewers of wood and drawers of water for people south of the border just because they have some high-priced money or United States dollars? Or are you going to be men

and not mice and rise in your places and say to the rest of the world, "We are a strong nation; we are going to develop our resources; we are going to keep that gas and oil in Alberta and British Columbia." Some of my family are there now. If I were not so enthusiastic about my home town, as every young man is as a rule, I would like to transport right into Alberta well over a million dollars' worth of bricks and mortar on which I am not making a dollar at this time in Ontario. That is where I would go. A poet said "Give me back my youth". I would love to have some of it back, and Alberta and British Columbia would be my destination if I had to make a living, Mr. Speaker. I look forward to the day when these ideas, if they are worth anything, will grip the imagination of my friends. I heard an hon. member from Quebec province make a very brilliant speech today in French. Let the possibilities of these provinces grip the imagination of his own people in Quebec. Let them grip the imagination of my people, not only in Ontario, but also in the old land. Let us go out and take hold of these two provinces, with all their potentialities, and give nothing away. Let us hang on to it and let us develop that country, because the possibilities are there. Then, when your day comes to sign off, you will be able to say that you have done a good job. I am glad to be able to look back twenty years and to say that that is where the possibilities are. Let us keep them for our Canadian people. Let us have a pipe line worthy of the trust Providence has placed in us, when we were entrusted with all these natural resources.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, today I wish to say a few words in connection with this bill. First of all I am anxious to put on record the opinions of constituted bodies, municipal and civil, in British Columbia who have been studying this problem and who have been wondering about the action their representatives in the House of Commons will take.

I am pleased that we are having the opportunity to discuss this bill further, because I believe we can throw some additional light upon what has already been said. Then, when the various members go to their constituencies during the Easter recess, they will be able to explain to them the benefits which will accrue to Canada if this line is routed through Canada and becomes an all-Canadian route. They will be able to show to their constituents the great possibilities in the development of our western country. Therefore I welcome this opportunity of speaking with respect to the bill for the first time before the Easter recess.

First of all, however, I should like to place on record the opinion held by the city council of Vancouver. Hon. members will have heard in previous speeches the opinion expressed unanimously by the legislature of British Columbia. Now we come to the great metropolitan area of Vancouver. The Vancouver city council on March 27, 1950, just a week ago today, passed this resolution:

> That the city council advise the federal government of its opinion that the routing of a gas pipe line through British Columbia is imperative for the industrial development of the regional area through Vancouver.

Apparently that resolution was sent to the government. However, as this is not a government bill—although perhaps one might be excused for thinking that it is—it is possible that private members who do not represent British Columbia constituencies might not have had a copy of the resolution. It is for that reason that I am anxious to place it on the record.

I have in my hand a resolution passed by the Vancouver-New Westminster and district trades and labour council. This resolution, dated March 30, reads in this way:

> Whereas an all-Canadian route for the proposed natural gas pipe line from Alberta to British Columbia will help control the gas in Canada until most Canadians have first been served and
>
> Whereas more employment will result in Canada, both from construction and future maintenance than any other proposed route
>
> Therefore be it resolved that this Vancouver-New Westminster and district trades and labour council strongly urge the dominion government to authorize the proposed all-Canadian route.

Another labour council which is very directly interested, the metal trades council of Vancouver, New Westminster and district, through a brief, states that it admires the persistent efforts which are being made by certain British Columbian members to route the pipe line through British Columbia. They go on to say:

> Our delegates and members support you in the efforts which are being made to have this line routed through British Columbia. We earnestly request the continued support and favourable assistance to any company favouring a pipe line through British Columbia.

Then, to show the similarity between the views expressed by the great metropolitan areas and those of the smaller communities, I will now quote the view of the small community of Rutland. Their board of trade, which has a motto the first two words of which are "Be loyal", passed this resolution:

> Resolved that this meeting of the Rutland board of trade go on record as being opposed to the natural gas pipe line going through the United States to Vancouver, and urge the support of the British Columbia members of parliament be given to the plan of routing the line through British Columbia.

There you have the recommendations from the municipal authorities in the cities, the labour councils, those who are closest in touch with the labour situation, urging that from the point of view of providing labour for Canadians these pipe lines be routed through British Columbia. Finally we have one of many small municipalities, which might be along the route, urging that the all-Canadian route be followed.

All those organizations are anxious to have this great Canadian resource made available for Canadians. At this time I do not intend to elaborate upon that point, nor do I intend to deal with the matter of these pipe lines going through British Columbia from a national defence point of view, as I did a few weeks ago when we were discussing another bill. Everything I said on that bill is applicable to the one we are discussing tonight.

Reference was made by the hon. member for Kootenay West (Mr. Herridge) to the remarks of the hon. member for Comox-Alberni (Mr. Gibson) in which, if I understood the hon. member for Kootenay West correctly, he intimated that the hon. member for Comox-Alberni was not interested in these problems, or had said he was not interested in these problems, because he represented a Vancouver island constituency and that it was not possible to convey the gas and oil across the straits of Georgia to the gulf islands and to Vancouver island. If the pipe line was routed through British Columbia to Vancouver it would be practical to carry it across these inland waters. The waters are sheltered by Vancouver island and no severe storms occur in that area. Then Nanaimo, Victoria and other points on Vancouver island could be served.

Apparently certain hon. members who have spoken did not think that this could be done. The hon. member for Comox-Alberni (Mr. Gibson) seemed to be hesitant and did not think it worth while routing the line through British Columbia. I am not an engineer and therefore cannot speak with personal knowledge regarding the feasibility of carrying a pipe line under water so with your permission I should like to read to the house a detailed account of Operation Pluto which I am sure will be of interest to hon. members. Just after D-day it was found essential to pipe across the English channel petrol, as it is called in the army, to supply the forces operating in northwest Europe. After an exhaustive examination it was found practical to put a pipe line under the English channel. If a pipe line could be constructed under the English channel then it should be feasible to construct one under the strait of Georgia so that the residents of Vancouver island might have the benefit of Alberta gas provided it were piped through British Columbia to Vancouver. I am going to quote from Keesing's Contemporary Archives dated June 23-30, 1945, page 7273:

United Kingdom—British wartime engineering and scientific departments. Allied expeditionary force supplied by petrol by cross-channel pipe line—(Operation Pluto).

Particulars, hitherto withheld for security reasons, were recently released of important British engineering and scientific developments in connection with the war.

It was announced on May 24 that a large part of the allied expeditionary force had been supplied with petrol by an under-water pipe line system stretching across the channel to the continent. An account of this operation, known as "Operation Pluto" (pipe line under the ocean) and wholly British in conception, is given below.

The scheme originated in April, 1942, when Admiral Mountbatten (then chief of combined operations) asked the petroleum warfare department whether it would be possible to lay a pipe line across the channel in order to guarantee the uninterrupted delivery of millions of gallons of petrol, normally requiring special harbour, dock and storage facilities, at times and places needed. Experts considered this impossible, but some days later, Mr. A. C. Hartley (chief engineer, Anglo-Iranian Petroleum Company) suggested the laying from cable ships of a pipe line resembling a submarine electric power cable without the core and insulation. Within a fortnight several hundred yards of this pipe line (later known as "Hais" Hartley-Anglo-Iranian-Siemens) had been produced by Messrs. Siemens Brothers Limited and laid in the Thames, with such promising results that Mr. Lloyd (secretary for petroleum) was instructed by Mr. Churchill to press ahead with the scheme. In December, 1942, an experimental cable was laid between Swansea and Ilfracombe, where currents and conditions approximated most nearly to those of the English channel, and for over a year consumers in north Devon and Cornwall were supplied with petrol without knowing that it had been pumped across the Bristol channel.

Meanwhile a second proposal had been made at the end of April, 1942, by Mr. B. G. Ellis (chief oil fields engineer, Burmah Oil Company) and Mr. H. A. Hammick (chief engineer, Iraq Petroleum Company), who suggested that three-inch diameter steel piping might be used by welding together 20-foot sections into the required lengths and winding on a drum. It being demonstrated that from drums of 30 feet or more in diameter it could be wound relatively straight.

Mr. Robinson: When you get through with that read Dun and Bradstreet's.

Mr. Pearkes: Will the hon. member let me have the article he wants me to read from?

Mr. Robinson: I will send you down a copy tomorrow.

Mr. Pearkes: I am sorry I should have been interrupted because I thought hon. members would be interested in this. I continue to quote:

After the building of a factory to weld "Hamel" piping (Hammick-Ellis) into 4,000 foot lengths, with storage facilities for 350 miles, the Admiralty converted a hopper barge into a craft (named H.M.S.

Persephone) with a "great wheel" rotating in trunnions on deck, capable of carrying many miles of piping and paying it into the sea. This was followed by a second idea, the construction of a giant floating drum capable of carrying the full length for the channel crossing, tests at the national physical laboratory, Teddington, showing that this could be towed like a large bobbin, paying off pipe as it went. Arrangements were made for mooring the drums, known as "Conundrums" ("Conuns") in deep water at the end of the pipe racks to enable the 4,000 foot lengths to be welded into a continuous length of 30 or more miles and wound on the "Conuns" while they were rotated. After successful trials, the manufacture of "Hais" cable and "Hamel" pipe was arranged, and the petroleum war department (Director-General, Major-General Sir Donald Banks) was made responsible for the whole scheme, including the provision of pumping stations.

"Force Pluto", numbering 1,100 officers and men under Captain F. J. Hutchings, with vessels ranging from 10,000 ton ships to barges and motorboats, was then formed; six "Conuns" constructed, each 90 feet long and over 50 feet in over-all diameter (the drums themselves being 60 feet by 40 feet), carrying 70 miles of pipe line and weighing 1,600 tons; new pipe lines run from the British system (extended north to special tanker discharging berths at Bromborough dock, near Birkenhead) to the coast, making 1,000 miles in all; and high power pumping stations built and camouflaged in an old fort and amusement park, seaside bungalows, etc. Shortly before "D-day" the arrangements were inspected by Mr. Churchill (who had kept in close touch with all developments, and whose decision that the scheme should be pressed forward had ensured close interdepartmental co-operation and priority in materials), Mr. Lloyd, and the late Admiral Sir Bertram Ramsay.

Operation Pluto began a few weeks after "D-day", as soon as the approaches to the tip of the Cherbourg peninsula had been cleared of mines. Several lines were established, and on August 12 a special petroleum unit of the R.A.S.C. began pumping petrol from the isle of Wight to Normandy, maintaining close contact with Cherbourg by wireless telephone, so as to detect instantly any variation in the quantity delivered. It soon became necessary, however, to establish lines across the narrow part of the channel in order to avoid the strain of supplying the advancing allied armies from Cherbourg. As soon as Boulogne was captured, and mines cleared, pipe lines were laid from Dungeness to Boulogne, bringing the oil 200 miles nearer the front. The Royal Engineers then built and the R.A.S.C. operated a continually lengthening system from Boulogne to Antwerp . . . and eventually across the Rhine, enabling over one million gallons daily (sufficient for the entire needs of the 21st army group) to be pumped through to Germany, other lines being subsequently laid from Cherbourg to Frankfurt for the use of the American army. In all, twenty pipe lines were laid across the channel (four or five to Cherbourg and fifteen or sixteen, totalling 500 miles, to Boulogne), many operations taking place under adverse weather conditions and strong tides. "Operation Pluto" achieved complete surprise and even the "Conuns" sailed unscathed across the channel, the enemy assuming them to be not worth attention. By the end of the war in Europe 120 million gallons had been pumped through to Germany, ten cable and six steel pipe lines being continued in operation thereafter for the use of the allied armies of occupation.

I thought this would be of interest to many hon. members. Not only is it worth while putting it on record as a glorious achievement and demonstration of the skill of the engineers, but it demonstrates the practicability of piping gas and oil from the city of Vancouver over to Vancouver island in order that the people of the island might have the opportunity of utilizing the surplus gas available in the Alberta fields. I think it is generally known that the commission appointed by the Alberta government in 1948 found that at that time there was an abundance of surplus gas, having regard to the foreseeable requirements of Alberta for many years to come.

Since 1948 new fields have been discovered. The Leduc field has come into operation, and also the Redwater field. Many others are being developed in northern Alberta. The result is it is estimated that the surpluses available today in Alberta are three times what they were just a few years ago. We know that the premier of Alberta has announced that, provided the long-range requirements of the people of his province are safeguarded, it is the policy of the Alberta government to allow gas to be exported from that province. Without going into the particular details, we know that a bill was passed a year ago granting a charter to a company which has intimated that it will follow an all-Canadian route. The two bills which are before us at the present time contain no assurance that the gas will be transported by an all-Canadian route to the Pacific coast. In fact, I think it is no secret that the directors of these companies have intimated that they will transport the gas through the southern part of Alberta into the United States to supply the great cities of Spokane, Wenatchee, Seattle, Portland, and so on. They have intimated that what has been referred to as a stub line will be extended to Vancouver in order to supply Vancouver so far as is practicable with whatever gas there may be left over. I understand that would be a longer and probably more expensive route than the one from Edmonton through Jasper, Yellowhead, Kamloops, and along the new provincial Hope road. I say longer because it would be longer from the centre of oil and gas activity. A few years ago the centre of that activity was in the southern part of Alberta. Gas fields were first discovered south of Calgary in the region of Purple Springs, Grassy Lake, Lethbridge, the Turner valley, and so on, but that centre of activity has moved northward.

Now, I do not think it is incorrect to say that it will probably be north and west of the city of Edmonton. If the route should be measured, therefore, from some point around Edson, west of Edmonton, through the Yellowhead pass, or coming down through Lethbridge, the gas will have to be gathered at some central point such as I have suggested. I understand that a company has been incorporated to gather the gas from the various

fields in Alberta. Then, if the Canadian route were followed it would be possible to tap in, perhaps west of Jasper somewhere, the fields which are being developed in the Peace river country. The extent of those fields has not yet been estimated, but there would appear to be enormous reserves there. It may be that by having a line from Prince George, Dawson Creek, and Fort St. James, some of those places, it would be possible to service the whole of the eastern side of British Columbia with oil and gas.

A difference between the two lines, which I think is quite striking, is that if the southern route were followed I believe there would only be a distance of some 150 miles of the pipe line in British Columbia. If the northern route were followed, then some 700 miles would be located in Canada. As pointed out by those resolutions which I read, the construction and maintenance of this line in Canada would give a tremendous amount of employment to Canadians, not only in the actual construction of the line, but in the preparation of such things as bridging materials. These bridging materials would be required for the construction and maintenance of the line. Then there would be a road paralleling the pipe line, no matter which direction the route followed. We want that northern part of central British Columbia developed. It is a wonderful country. I have been through it many times, and I know that there is untold wealth in that hinterland. I believe this pipe-line measure presents an opportunity whereby we can feel we are really making a contribution to the development of the province, or a part of the province, which at the moment is but sparsely populated.

There are unlimited possibilities for further development there, and I do hope that when members return to their constituencies, particularly those members from British Columbia who at the moment perhaps do not know the interior as well as they would like to know it, who have not grasped the enormous possibilities of that area, they will take advantage of the opportunity to see that district. They will find out how it can be developed, and how it can be given industries if these pipe lines go through that area. I hope hon. members will seize the opportunity presented by the Easter recess to view that land, and consult with their constituents as to whether they would like to have that line run through the northern part of British Columbia. I sincerely hope it will be possible to give the people of British Columbia the advantages of a pipe line from the Alberta fields to the British Columbia coast.

Mr. A. J. Brooks (Royal): It was not until a short time ago that I decided to take part in this debate. I am sure that a debate such as this interests not only the people of British Columbia and western Canada, but also the people from the rest of Canada. I am satisfied that anyone listening to the member for Nanaimo (Mr. Pearkes) would realize that almost anything at all can be done with pipe lines. I feel sure the member for Winnipeg South Centre (Mr. Maybank) will agree with me when I say that almost anything can be done with pipe lines.

As it is one minute to eleven o'clock, I should like to move the adjournment of the debate, if I have the permission of the house.

Some hon. Members: No.

Mr. Brooks: Since there is only one minute to go, it makes no difference. The people from all parts of Canada are most interested in these pipe lines. It is a great Canadian development, and we ought to see that it is well used. While we may be a little jealous of the people in western Canada for having so much oil—

Mr. Deputy Speaker: Order; it is now eleven o'clock.

Mr. Brooks: I should like to move the adjournment of the debate.

Motion agreed to and debate adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we shall resume the debate on the budget.

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

HOUSE OF COMMONS

Tuesday, April 4, 1950

The house met at three o'clock.

TRANSFER OF DUTIES

RESOURCES AND DEVELOPMENT—DEPUTY MINISTER AS DIRECTOR OF CENTRAL MORTGAGE AND HOUSING CORPORATION

Right Hon. C. D. Howe (Acting Prime Minister): I desire to lay on the table order in council P.C. 1675, of March 31, 1950, which transfers to the deputy minister of resources and development the powers, duties and functions vested in the deputy minister of reconstruction as a director of Central Mortgage and Housing Corporation.

Section 6 of the Central Mortgage and Housing Corporation Act provides that the deputy minister of reconstruction shall be one of the directors of the corporation. As the department of reconstruction has now passed out of existence, it is necessary that the powers, duties and functions of the deputy minister of reconstruction under section 6 be transferred to the deputy minister of resources and development. The deputy minister of justice has expressed the view that the transfer is necessary.

RAILWAYS AND SHIPPING

Second report of special committee on railways and shipping owned, operated and controlled by the government.—Mr. Cleaver.

FISHERIES

HALIBUT—RECIPROCAL PORT PRIVILEGES TO CANADA AND U.S. FISHERMEN—TABLING OF CONVENTION

Hon. L. B. Pearson (Secretary of State for External Affairs): On March 27 last the hon. member for Vancouver-Quadra (Mr. Green) inquired whether it would be possible to have tabled a copy of the convention for the extension of port privileges on the Pacific coast of the United States and Canada, signed in Ottawa on March 24 last. I promised that the convention would be tabled as soon as it was mimeographed and translated. Accordingly, I should like to table a copy now.

CANADIAN NATIONAL RAILWAYS

REFERENCE TO COMMITTEE OF SUPPLY OF CERTAIN ESTIMATES APPROVED BY RAILWAYS AND SHIPPING COMMITTEE

Hon. Lionel Chevrier (Minister of Transport): I should like to move, seconded by the Minister of National Health and Welfare (Mr. Martin):

That items 493, 494, 558 and 559 of the estimates for 1950-51, approved and reported upon on Tuesday, April 4, 1950, by the special committee on railways and shipping owned, operated and controlled by the government, be referred to the committee of supply.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Mr. Isnor: Before the motion is carried I should like to ask the Minister of Transport whether—

Mr. Speaker: Order. I do not think it is customary to debate motions of this kind. The motion is that these items be referred to the committee of supply.

Mr. Isnor: I understand that the report was made today, Mr. Speaker, and I am raising a question with regard to the report.

Mr. Speaker: The motion is not to approve the report. The motion is to refer certain items to the committee of supply. I do not think it is customary to debate that matter in the house. I have no objection to the question being asked if the house would like to permit it.

Mr. Isnor: Then I shall wait until the report is before the house.

Motion agreed to.

COAL SUPPLY—RUNNING TIME OF OCEAN LIMITED

On the orders of the day:

Mr. Gordon B. Isnor (Halifax): Mr. Speaker, I think I am now in order to ask the questions which I intended to ask the Minister of Transport. But perhaps I should bring to your attention, Mr. Speaker, what I consider to be the correct interpretation of standing order 38, debatable motions. I have particular reference to subsection (k),

"for reference to a committee of a report or any return laid on the table of the house." That is what the Minister of Transport did. He brought in a report and moved that certain items of the estimates be referred to the committee of supply. Because of that I felt justified in asking the questions which I now intend to ask. It refers to a matter which I brought up on the floor of the house concerning coal prices. Not receiving the answer on the floor I took the matter to the committee and placed in writing before the chairman of the committee a question on prices and quantities of coal supplied to the Canadian National Railways by certain Nova Scotia producers. My first question is whether that information is contained in the report. My second question has to do with the running time of the Ocean Limited, starting at a later hour and arriving in Montreal one hour later to save three hours running time from the maritimes.

Hon. Lionel Chevrier (Minister of Transport): With deference I should like to correct my hon. friend in his interpretation of the motion that I made a moment ago. I did not make a motion recommending or concerning the report. The motion that was made was to return to the committee of supply certain items of the estimates that had been taken from that committee and referred to the committee on railways and shipping, because these items had been passed by that committee. The motion therefore was simply one referring back to the committee of supply those items which had been withdrawn from it.

With reference to whether or not the information to which my hon. friend refers is contained in the report, the answer would unquestionably depend upon what is in the report when it is presented to the house. I understand that the report has not yet been made, because the committee is still sitting. So far as the second question is concerned, I think the same answer can be given to it. In fact I am informed that a complete answer to the second question has been given to my hon. friend already.

Mr. Isnor: Mr. Speaker, would you be good enough to give an interpretation of the standing order?

Mr. Speaker: I have ruled that a motion to refer certain estimates to the committee of supply at this time is not debatable. It is a procedural motion. If I understand it correctly, the estimates were withdrawn from the committee of supply and referred to a special committee. They are now back in the house, and it is necessary for them to go again to the committee of supply. It is a procedure which must be carried out, and it is not customary to debate a motion of this kind.

ATOMIC ENERGY

REFERENCE TO PRESS REPORT OF STATEMENT OF CHALK RIVER SCIENTIST

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I should like to draw the attention of the Minister of Trade and Commerce to a report which appears in today's Montreal *Gazette*—I have not given him notice of the question, because the matter was drawn to my attention just as I came into the chamber—with respect to a statement of one of the atomic scientists working at Chalk River. The report contains this paragraph:

> The Chalk River project "is at the crossroads." The people must decide, through parliament, whether "Canada should ante up with money and men and stay" in the race or whether "we should let our little fire run its course and flicker out."

I should like to ask the minister this question. In view of the statement of one of the scientists at Chalk River, is he prepared to reconsider the earlier decision as to the setting up of a committee on atomic energy?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I read this morning the article referred to. I was surprised to find one of our scientists discussing financial problems. I may say that last year the committee reported on that particular subject, at which time the committee recommended that further development take place. It seems to me that a second report made a few months after the last committee has reported on the subject would hardly clarify matters, and I see no reason for setting up the committee on atomic energy again.

POTATOES

GENEVA AGREEMENTS—REPORT AS TO RESTRICTION OF IMPORTS INTO THE UNITED STATES

On the orders of the day:

Mr. H. H. Hatfield (Victoria-Carleton): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. I should like to ask whether the report from Geneva is correct, that the contracting parties to the Geneva general agreement on tariffs and trade agreed unanimously to let the United States take measures to restrict the flow of imports of Canadian potatoes. Did Canada have a representative at this conference? The report says that Canada agreed in advance.

Right Hon. C. D. Howe (Minister of Trade and Commerce): I shall be glad to get the information and answer the question at a later time.

NATIONAL FILM BOARD

REFERENCE TO ARTICLE IN "NEW LIBERTY" MAGAZINE

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to direct a question to the Minister of Resources and Development. Is the article appearing in this month's *New Liberty* magazine, on page 7, correct, in which it is stated that Mr. Irwin, the new director of the national film board—

Mr. Speaker: Order.

Mr. Fraser: —drove a hard bargain with the Prime Minister—

Mr. Speaker: Order. I must insist that when the Speaker rises and calls order, the hon. member who is then speaking should resume his seat.

Mr. Fraser: Mr. Speaker, may I be allowed to continue my question?

Mr. Speaker: Order. The hon. member should not continue to read a newspaper or magazine article when the Speaker rises. I will allow the hon. member to ask his question, but I would ask him not to quote the article.

Mr. Fraser: My question is this: Is the article correct when it states that Mr. Irwin, the new director of the national film board, drove a hard bargain with the Prime Minister and the Secretary of State for External Affairs—

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member can ask his question without reading the article.

Mr. Fraser: I was not reading it. I was reading from my notes.

Mr. Speaker: But I think the note the hon. member was reading was taken from the article. It is a direct citation of the article.

Mr. Fraser: No, it is not.

Mr. Speaker: I will allow the hon. member to ask his question. May I ask hon. members—and I am not directing my remarks particularly to the hon. member for Peterborough West—to try to observe the rules of procedure when asking questions on the orders of the day. Quite frequently in the house hon. members will rise to ask questions and in doing so will read telegrams, articles from newspapers, or letters. This is contrary to the rules of the house. I am sure hon. members can ask their questions without quoting newspaper articles or telegrams.

Mr. Fraser: I was not quoting from the article itself. I was just stating what was in the article.

Mr. Speaker: As I said, I was not directing my remarks to the hon. member particularly.

Mr. Fraser: I would like to ask the minister to say whether a hard bargain was driven by Mr. Irwin in regard to his position with the film board, and whether, as the report states, there is an embassy post for him within three years.

Mr. McCann: No.

Hon. Robert H. Winters (Minister of Resources and Development): No.

APPLES

ASSISTANCE TO B.C. AND N.S. GROWERS—PAYMENTS UNDER STATUTE

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask a question of the parliamentary assistant to the Minister of Agriculture, and in doing so I shall try to keep within the confines of the rule to which you have referred.

Some hon. Members: Question.

Mr. Fulton: In view of statements which have appeared in the press regarding the announcement as to assistance to apple growers in British Columbia and Nova Scotia, will the parliamentary assistant say whether the growers in both those provinces will be eligible for normal payments under other acts, such as the Agricultural Prices Support Act?

Mr. Abbott: That was answered yesterday.

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): Mr. Speaker, I believe I answered that yesterday.

Mr. Fulton: If I may be permitted, the answer given yesterday related to growers in Nova Scotia. I am asking the parliamentary assistant if he will make it clear whether the growers of both provinces are entitled to these continued benefits.

Mr. Abbott: We treat all Canadians alike.

Mr. McCubbin: When an act is brought down it applies to the whole of Canada, not just one part.

Mr. Graydon: Do I take it that any legislation which is brought down will apply to Ontario the same as any other part of Canada?

Mr. Wright: Mr. Speaker, in view of the answer given by the parliamentary assistant to the hon. member for Kamloops (Mr. Fulton), in which he said that when an act is passed in the house it applies to all of Canada—

Some hon. Members: Order.

Mr. Wright: —will the parliamentary assistant say why, in connection with the floor price on potatoes three years ago, it was made to apply to a designated area in New Brunswick and Prince Edward Island, and did not apply to all of Canada?

Mr. McCubbin: Mr. Speaker—

Mr. Speaker: Order. It seems to me that the question is out of order. It might be asked more properly when the estimates of the Department of Agriculture are under consideration.

Mr. Drew: Mr. Speaker, this is not something that is being brought up unnecessarily. There is a perfectly good reason for asking the question.

An hon. Member: Political.

Mr. Drew: Well, you should know the basis for yesterday's answer. The question asked yesterday was directed to one of the provinces, and the answer given by the parliamentary assistant referred to Nova Scotia. The question is whether this should apply to British Columbia. The answer given by the parliamentary assistant, that it applied to every part of Canada, is obviously incorrect. He must be aware that the question referred to special assistance for British Columbia and Nova Scotia.

Mr. Abbott: The answer related to the Agricultural Prices Support Act.

Mr. Drew: The question asked was not as to the Agricultural Prices Support Act, but whether—

Mr. Abbott: Yes, it was.

Mr. Drew: Mr. Speaker, may I be permitted to ask my question?

Mr. Abbott: Yes, ask your question. It is out of order, anyway.

Mr. Speaker: Order.

Mr. Drew: The question was directed to the interpretation of the Agricultural Prices Support Act, and whether that act applied as well to the special arrangements that had been made. It would clear up any doubt if the parliamentary assistant would make it clear that it applies in both cases.

Mr. Speaker: My suggestion that the question should be asked when the estimates of the Department of Agriculture were under consideration referred to the question asked by the hon. member for Melfort (Mr. Wright). The hon. member asked why an act which had been in force a number of years ago had not applied generally. In my opinion that is not a question that should be asked now, but a question with regard to the application of the order which was made a few days ago respecting Nova Scotia apples is in order. As I understand it, the parliamentary assistant to the Minister of Agriculture was asked whether that order applied also to British Columbia.

NATIONAL DEFENCE

ROMEO SANTERRE—QUESTION OF ENLISTING IN THE ARMY

On the orders of the day:

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, I always comply with the standing orders, and I follow your rulings, sir. I would ask the Minister of National Defence if he is aware of the fact that ex-private Romeo Santerre, who wishes to enlist again in the army, has the support of Mr. A. J. Wickens, K.C., of Moose Jaw, dominion president of the Army, Navy and Air Force Veterans of Canada?

Hon. Brooke Claxton (Minister of National Defence): I am made aware of it now for the first time.

Mr. Pouliot: Then I shall give a copy of Mr. Wickens' letter to the minister. And if the house is interested in knowing the contents of the letter, I shall read it.

Some hon. Members: Order.

Some hon. Members: Unanimous consent.

Some hon. Members: No.

Mr. Pouliot: I shall read it only with unanimous consent.

Some hon. Members: Unanimous consent.

Mr. Pouliot: It states—

Mr. Speaker: Is it the unanimous wish of of the house that the hon. member have leave?

Some hon. Members: No.

Some hon. Members: Yes.

Mr. Speaker: In view of the fact that the house is not unanimous on the subject, the article should not be read.

Mr. Claxton: I have the letter.

Mr. MacInnis: On a point of order, I do not know why we should lose considerable time in shouting down certain members who wish to read something in asking a question, and then give someone else unanimous consent to do that very thing.

Mr. Speaker: There must have been some misunderstanding in the mind of the hon. member. Unanimous consent was not given.

Mr. Pouliot: My hon. friend is a strong advocate of the brass hats.

EXTERNAL AFFAIRS

QUESTION AS TO AMENDMENT OF DEPARTMENT OF EXTERNAL AFFAIRS ACT

On the orders of the day:

Mr. Gordon Graydon (Peel): Mr. Speaker, before the orders of the day are called I should like to ask a question of the Secretary of State for External Affairs. Having in mind part of the report last session of the standing committee on external affairs, which recommended that there be some amendment of the Department of External Affairs Act, is it his intention or that of the government to bring in such legislation at this session?

Hon. L. B. Pearson (Secretary of State for External Affairs): If I recall correctly the discussion we had last session in the committee, it was suggested, I believe, without any disagreement, that it might be desirable to amend the act so as to alter the title of the Secretary of State for External Affairs to that of Minister of External Affairs. That was the amendment to which the committee agreed. We have also been considering the possibility of making further amendments to the act. This being so, before any decision is reached by the government, I should like to take up with the external affairs committee the possibility of such further amendments.

LABOUR CONDITIONS

RAILWAY EMPLOYEES—NEGOTIATIONS AS TO WAGES, ETC.

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Would the Minister of Labour tell the house, either today or tomorrow, what progress is being made in the negotiations between the railway employees and the companies with respect to wage increases, the five-day week and related matters?

Hon. Humphrey Mitchell (Minister of Labour): I do not need to wait until tomorrow. May I say to my hon. friend that the railway workers organizations and the railway companies are quite capable of negotiating agreements without questions being asked on the floor of this house.

FOREIGN EXCHANGE CONTROL

FINE IMPOSED ON HOTEL OWNER—QUESTION AS TO APPEAL

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to ask the Minister of Justice whether there is to be an appeal from the sentence imposed recently on a hotel owner for various infractions of the Foreign Exchange Control Act on the ground that uniformity should be reasonably maintained.

Hon. Stuart S. Garson (Minister of Justice): I thank my hon. friend for having given me yesterday oral notice of this question. The foreign exchange control board has written to the counsel who handled this case, asking for a report. Until that report is received, no decision will be reached with regard to appealing the sentence.

PARLIAMENTARY GUIDE

INQUIRY AS TO PUBLICATION OF 1950 EDITION

On the orders of the day:

Mr. Gordon Graydon (Peel): I do not know to which minister I should direct the question I want to ask, but I am going to direct it to a usually reliable source of general governmental information, the Minister of Public Works. Can the minister tell the house when the 1950 edition of that valuable publication, the Parliamentary Guide, will be available to members of this house?

Hon. Alphonse Fournier (Minister of Public Works): My hon. friend and I are of the same mind. Yesterday afternoon I realized that I did not have the latest Parliamentary Guide. I inquired of the Clerk of the House as to when we might expect it, and he told me we would have it within a few days.

Mr. Graydon: After the Easter recess?

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Tuesday, March 28, consideration of the motion of Hon. Douglas Abbott (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, when I made a few remarks the other evening following immediately on the speech of the minister I began by saying that I doubted if the minister had enjoyed delivering his speech as much as he had the previous one. Now that I have had a better chance to study the budget speech I am inclined to think that that was a gross understatement. Indeed I feel confident that the minister must have experienced acute pain because of some of the things he found it necessary to say, and I am surprised that at some point he did not actually hold his nose.

Mr. Abbott: Too big.

Mr. Macdonnell (Greenwood): It is a difficult speech to criticize, because after all it is

merely a kind of mixture of toilet soap and ice cream, which provides a most slippery surface from which to launch an attack. In some ways I find it something like trying to make a dent in a rubber ball.

That view was very widely held at the outset. Many hon. members may have seen the cartoon which appeared in the *Globe and Mail*. Incidentally I hope the minister has a scrapbook for these various cartoons, because I feel sure they would prove most interesting for his descendants. This cartoon depicts the minister as a small figure, but I think the artist has done well by him; the picture shows that mixture of good humour and earnestness with which we are familiar. The minister is shown as being mounted on the back of a big elephant, and the cartoon is entitled "The Budget Parade". One sees the people looking on, and one gentleman is rushing up to see the minister, who unfortunately has just gone by on the big elephant. As this gentleman is wearing a tail coat, I assume that the artist intended to depict him as a large tax payer. A policeman is holding up his hand to hold him back, and is saying, "You didn't miss a thing; you saw it all last year".

I suppose there is a certain virtue in that. Last year I saw a cartoon depicting the minister as a gunman, and I suppose there are many other ways in which he has been depicted. I hope that one day he will be depicted as the undertaker of the Liberal party.

Mr. Abbott: No chance of that.

Mr. Macdonnell (Greenwood): At first there was a disposition to pooh-pooh this budget speech, as if it did not amount to much; but on second thought people had a different feeling. In spite of the negative quality of the speech, or perhaps because of it, I think people have come to feel that the speech is worthy of serious attention. Let us look at the story which it tells.

Hon. members will recall that last year the minister was able to give tax reductions of $323 million, although we were quick to point out that that was just election pump-priming. Nevertheless the reduction was given, and of course the people liked to get it. The saints liked to get it, just as much as the sinners; everybody liked to get it. As the hon. member for Fraser Valley (Mr. Cruickshank) would say if he were here, and as he did say the other night, it did a good election job.

Now we come to grips with the figures for this year. There is an estimated revenue of $2,430 million and estimated expenditures of $2,410 million, giving a surplus of $20 million.

Mr. Knowles: Thirty.

[Mr. Macdonnell (Greenwood).]

Mr. Macdonnell (Greenwood): Twenty. The hon. member for Winnipeg North Centre (Mr. Knowles) I think is unrivalled in his knowledge of the rules of the house, but apparently his arithmetic is not quite so good. I agree that it is a microscopic surplus which might disappear at any time the minister is not looking. I doubt if the minister thinks much of it himself, because he used rather doleful words about the situation. The minister told us plainly that we must "cope somehow"—I call your attention to the word "somehow"—"with a continuing level of expenditure of $2,400 million, even in the absence of large-scale economic difficulties or widespread unemployment." I take it these last phrases mean that we must spend that amount even if times are good. Even if there is no special drain on us the best we can hope for is $2,400 million. Of course if there were unemployment or economic difficulties, presumably that figure would increase and the $20 million would be gone before you could say "knife".

It is true that the minister adds—I quote from *Hansard* at page 1215:

> Naturally we hope to reduce expenditures by improved efficiency in operation, and by economies in administration.

The minister is a rather cheerful chap. In spite of an obviously gloomy budget, the cheerfulness breaks in from time to time; but in the next minute he is uttering another dirge and he warns us that:

> It is only by reducing government activities or social security payments that any major reductions can be made.

I think as we go on we may find that is only too true. At any rate, it is only too true so long as the present attitude of the government remains. There is not much inspiration in that. There is not much sense of urgency. There is no real suggestion that this problem is going to be attacked. The minister seems to be on the defensive, and perhaps it would not be unfair to add that there is a little note of defeatism in what he says. He rather underlined that note of defeatism; and later we find that the minister says again:

> But we should not delude ourselves with the belief that we can significantly alter the scale of the budget in this way.

By the phrase "in this way" he means by making economies. It is only fair to say that we have had, as the minister points out, a substantial increase in defence and social security services, and one would be unfair enough not to recognize the burden which the minister has had to carry.

Finally we come to something in the minister's speech which really sounds to me like a signal of distress. He says, at page 1216:

> Unless we are prepared to reduce the scope or scale of government activities, we must now expect $2,400 million budgets in future years. Nor can we

escape the tax implications of this conclusion. We must have a tax system that will at least balance the budget in good years . . .

I will draw your attention to that again in a moment.

. . . otherwise we should slide quickly into inflation.

Remember again that we are told, and I think correctly, that 1949 was a good year. The estimate of the gross national income for the current year, if I remember correctly, is $300 million above 1949, which itself was $500 million above 1948. Therefore it is forecast as a big year. We have now come a long way from the "substantial surpluses" which the minister assured us not so long ago should be characteristic of good years so as to prepare for years not so good. In other words, the best that can be said, even in this year that we expect will be good, is that if unemployment does not rise too much and trade does not go down too much we may break even. If that is the best in good times, then what about bad times? The minister does not mention that, but I think it is a reasonable question to ask, and I think we can answer it for ourselves. I think every reasonable person expects that expenditures will have to go up, and will go up, unless very drastic economies can be made; because, after all, does anyone believe that the government can squirm out of all its social security promises? Surely something will have to be done there, and surely that will lead us into a deficit unless one of two things happens: either we bring down our expenses substantially, or we are able to raise our income substantially.

In other words, in this period of high prosperity the minister has very little comfort to give us. If there is any setback, we have a deficit. We can really go further and say, as I said a moment ago, that it is extremely hard to believe that increases in expenditure will not take place. Without economies or increased output we will certainly have a deficit or increased taxation. We should be grateful to the minister for his candour. He certainly has given us fair warning, but we do not need to follow him in what I have called defeatism. I am not primarily interested in trying to criticize the minister. What I want to do is to try to get at what seems to be the reality of the situation. The minister's picture is grave enough, although, as I said, cheerfulness breaks through and occasionally distracts us from the seriousness of what he said.

In order to try to make this simple, real, and everyday, I should like to picture the situation in terms of the life of the ordinary man, and, let us say, of a co-operative. I would say that our financial position, expressed in terms of the affairs of an ordinary individual, is like that of a person who has had an unexpectedly large income for some years. He has been able to pay off some debts, but he is now living right up to his income, and unless his income remains at that level he has no right to expect he must look forward to anything except a shortage.

Let me now give the illustration of a co-operative of which all citizens are members. All active citizens contribute and they all receive services. In good years they hope to get dividends also; in other words, a rebate on their payments. They have been told that the coming year will be a good year, like other years in which they sometimes have had dividends. They hoped at the worst to break even, but they now find that their contributions in the coming year at the very best will enable them to break even, and may easily do worse than that. They have been told that expenditures cannot come down, and they believe it is quite likely that expenditures will go up and income will come down. In those circumstances they will face either a deficit or an additional levy. The only hope of avoiding this is, on the one hand, a substantial reduction of expenditures, or, on the other hand, a substantial increase in income.

I need not point the moral of this in terms of our own national life. I need not labour the point. I have suggested that today citizens of Canada are like members of a co-operative, and that they face the difficulty which I have endeavoured to describe. In passing let me say that, whereas the minister has naturally been proud to tell us in the past about payments made in reduction of the debt, payment on the debt this year makes a very small and insignificant story. If I read the figures correctly, we have paid off some $497 million, but of that amount only $67 million came from income. The rest came from realization of capital assets.

This situation would be serious enough if we were operating at a moderate level and with plenty of room for expansion, but at the present moment there seems to be nothing to warrant that. There is no particular reason to think that our trade will improve; on the contrary there is a good deal of reason to think that the present shrinkage will continue. I shall have more to say about that later.

I should also like to point out that the attitude of the government towards trade—and I am quite sure that our trade commissioners have been doing their best and all that sort of thing—has been negative, barren and un-co-operative. They are just hoping and waiting for something to turn up.

As I said, anyone who expects the present high level of trade to remain undisturbed is really doing the ostrich act. I propose to say something about that later, and particularly about what I regard as the antediluvian method we follow in this house in dealing with our accounts.

I want to say a word about trade. There is widespread uneasiness about trade. Last Friday the Minister of Trade and Commerce (Mr. Howe) gave us a picture in which he painted practically a new heaven and a new earth; nevertheless there is widespread uneasiness, and before going further with the budget I should like to give a few facts and then make one or two comments on what the minister stated last Friday.

Our domestic exports since August of last year have shown a tendency to decline. I do not propose to detain the house with many figures, but I would like to give the figures for the months since then, showing our domestic exports to all countries, excluding gold:

(millions of dollars)

	1948	1949	1950
September	283	228	
October	307	269	
November	293·9	292	
December	216	285	
January		237	221
February		205	189

It will be noted that in December, 1949, the trend was reversed, no doubt because of some special reasons about which the minister could tell us. However, those figures show the trend since last August.

I want to digress for a moment to say a word on what the minister said about Marshall aid. He rather pooh-poohed it, and I think it worth while to remind the house of the figures and of the great help it has been to us in the past, because we cannot face the future intelligently without knowing what has come to us through Marshall aid in the past. The total amount of Marshall aid in 1948 and 1949 was $7,850 million, of which $1,036 million was earmarked for Canada, and for Canada and the United States altogether, $6,527 million. While only $1,036 million was earmarked for Canada, that does not give the full extent of the effect of this aid, because, after all, the large dollar advances which other countries obtained under Marshall aid would certainly set free other dollar resources which they possessed; so it is perfectly reasonable to assume that the benefit we obtained from Marshall aid was far in excess of the amount actually earmarked for us.

I should like to direct attention briefly to what seem to be one or two essential features of the trade situation in the last few years. In 1947 two significant events took place: first, the Geneva trade agreement was concluded; second, the attempt to make the British pound convertible at $4.03 failed, and of course that failure had a devastating effect upon the Geneva agreement. That agreement, as we all remember, had escape clauses under which nations could withhold the tariff advantages they had agreed to give if in fact their balance of payments was out of scale. In plain words this means that as a result of foreign exchange control and the turmoil of the exchanges, the nations were forced into the position where, with the exception of the United States, they very largely departed from the terms of the agreement, which became more or less inoperative. It was a frustrated effort.

From the point of view of tariff negotiators the Geneva agreement was a dream. They got tariffs down below where they had been for a generation; but the paralysing hand of controls came down upon them and spoiled the effect.

There were other escape clauses of an entirely different nature whereby nations could suspend the operation of the agreement if their own industries were going to be injured. This has been important only in the case of the United States, where there have been six such applications. Five of these have been turned down. The sixth, concerning aluminum, is now under consideration. I understand the board which reviews these applications is strictly political, being composed of three Democrats and three Republicans. Therefore I think we may have a good deal of hope that this application will be turned down also, because there will be no majority in favour of giving effect to the request. In the case of the United Kingdom, where tariffs were low and tariff reductions were not really matters of importance, their place was taken with unhappy effectiveness by import regulations of all kinds, so in that way the United Kingdom has made use of balance of payment difficulties to escape the effects which otherwise would have followed.

Now I should like to point out, in fact to repeat, that if in 1947 our financial experts had been able to do as satisfactory a job as our tariff experts, we would have had a very different situation. We know what has happened. We know they were not able to do that satisfactory job. We know what has been the turmoil of the exchanges since that time. We know that just the other day we were notified that the United Kingdom is cutting back its purchases by some twenty-six per cent, I think it is, which I am informed

is the result of the discussions and negotiations that took place last year, to which the minister referred.

I spoke of the turmoil of the exchanges. I spoke of the devaluation last autumn, to which the minister has also referred. Britain has made progress since then. Apparently it has been able to increase its exports to this country so that they earn the same amount of dollars they did before. Hon. members will bear in mind, of course, that with the pound depreciated the British have to export just that much more goods in order to get the same amount of dollars. But in spite of their progress he would be a bold man who would today predict that before the end of Marshall aid they will be able to span the gap, which is already large. I believe there is only one solution to the problem which offers any hope. It is a solution I have put to this house before; that is, a move toward the freeing of the exchanges. I have no intention of repeating my speech on exchange control, but what is happening every day in my view underlines the position we in this party have taken.

Let us see what is happening. In his speech last week the minister said at page 1208:

. . . it already seems clear that the action we took in September last has, under the conditions now prevailing, improved our trading position.

Well, I mention in passing that this hardly seems to square with the figures I gave a few moments ago, but the minister might reply by saying that if it had not been for what they did last September things might have been worse. Then let us see what has happened since last September. On the 19th of that month the minister said, as reported at page 56 of *Hansard*, second session, 1949:

For some time it has been clear that a fairly radical realignment of some currencies was a necessary element in the readjustments required to balance international trade.

The minister is certainly right. That had been clear, except for those people whose hands and minds were fast in strait-jackets. We all remember the case of Cripps, the British chancellor of the exchequer, who kept repeating that he would not and could not devalue, and then of course had to do it; like the old saw, "saying he would ne'er consent, consented." We can sympathize with him, moving from one crisis to another because of his fanatical adherence to the system of controls and his apparent unwillingness to take any step away from them.

On September 19—and I think this is important—referring to the discussion he had had with the United Kingdom and the United States the minister said, again at page 56:

Each of the participants was keenly and deeply aware of the consequences of failure. Unless the trend could be reversed, the free world would, through the force of events, divide itself into two economic blocs. With this division there could not be a sound or lasting basis for political co-operation and security.

I think we will all agree with that. Let us see what has happened. As I told you a few minutes ago, the minister says the situation has improved. That, however, seems to me to be a doubtful proposition. Let us call the Secretary of State for External Affairs (Mr. Pearson) to give evidence on that point as to whether these blocs are becoming less sharply defined. Speaking after his return from Colombo, as reported at page 135 of *Hansard* of February 22, the minister said they had

. . . highly qualified experts at these talks.

Further on he says:

They—

That is, the talks.

—concerned in the main the present position and future prospects of the sterling area. The Canadian position with respect to participation in talks of this kind was, if I may say so, a little equivocal.

I was surprised at that word "equivocal". I looked it up to see what the dictionary had to say about it; and it says, "capable of double interpretation." There are those in this house who would say that things of that kind have been said by this government, capable of double or perhaps even triple interpretations. But I do not think this was one of them because I think, as a matter of fact, the minister's attitude was only too clear, and I quote again from what he said. He says:

It—

That is, the Canadian position.

—certainly was not the same as that of the other participating representatives, who, without exception, came from the sterling areas. In fact our role at those talks, if I may put it that way, was that of a persistent but very friendly dollar gadfly.

In other words, our only objective was to sting others into action but apparently not to do much ourselves. That point became underlined when an amendment was moved in this house suggesting a commonwealth conference and when the Minister of Finance, while not saying that the conference might not be of value, and while saying that if we were invited we would of course go, nevertheless was not prepared to take any initiative in summoning it.

I wish to make reference to one other thing the Minister of Trade and Commerce said the other afternoon which interested me a good deal. He referred to his hope that convertibility might come in the near future inside Europe. If I understood the minister correctly, he seemed to regard that with great satisfaction; and on the face of it, one would be inclined to regard it with satisfaction. On

the other hand, I raise this question, Mr. Speaker. If we stand aside and allow Europe and presumably Britain—because the minister hoped that Britain would be included; and if Britain comes in, that means the sterling area, I take it—to make an arrangement, or if we stand by while all that part of the world reaches an arrangement as to convertibility, I wonder if that may not work greatly to our disadvantage. I am not prepared to dogmatize on that. I put it forward as a matter which I think is worthy of serious consideration. However that may be, my own feeling is that, so far as devaluation is concerned, so far as moving forward into freedom is concerned—and I have never suggested it should be done in any helter-skelter or ill-considered manner—it seems to me that we are not prepared to do it at all. We are standing pat. We are not moving forward. It is a kind of wait-and-see policy. I should like to remind the house of words which I read to it not so long ago, written by a highly respected publication, the London *Economist*, with regard to the British step taken last September, whereby they moved the pound down to a new fixed value. There was no loosening of the controls at all; they were just as tightly fastened as ever, except at a new figure. This is what the *Economist* says, and these words were written I think in the middle of October:

> It is now clear that the opportunity of devaluation has been missed. Abroad there has been much disappointment, mixed with amazement that so sharp a reduction in the exchange value of the pound sterling was not accompanied by any relaxation whatsoever of the restrictions that keep the pound so tightly inconvertible. "Devaluation," says one experienced continental commentator, "is usually the price paid for getting rid of exchange control. To pay so high a price and get none of the rewards is a very bad business."

Meanwhile, Mr. Speaker, we are preparing for another trade conference at Torquay. You will remember that, following the one at Geneva, there was one last year at Annecy. Now we are to have one at Torquay. I raise the question whether we are going to have another frustration following on the two previous ones; because it seems to me that it will be in the highest degree unfortunate and lamentable if we do.

If I might digress for a moment, I should like to say that, when people survey what is going on now, when they realize the number of bilateral or two-sided trading arrangements which are being made—particularly, I am afraid, by the United Kingdom—and when they realize how important it is for us that we should have multilateral or many-sided trading agreements, it is not surprising that thoughtless people should be arguing for barter. Apparently there are some who think that barter is some strange, new, brilliant discovery of the twentieth century. They talk about it really as though it were a substitute for the freedom which brought us where we are. They do not seem to realize that it is stepping back into a situation that we stepped out of generations ago. The other day I read an article apparently holding up to admiration a company—and indeed the company was entitled to admiration—which I think was in the lamp business, and which was selling lamps hither and yon throughout the world and taking goods in exchange: barter. One of the things I remember was that they got goat's hair in Turkey. That company undoubtedly deserves credit for its enterprise, but what I am commenting on is the state of affairs which thrust them into that kind of business. What it meant was that a man who was expert in the selling of lamps but who knew nothing about goat's hair had to try to learn about the business of selling goat's hair. It is just reverting to the situation which we should have got away from years and years ago.

What bothers me is that, from our good friend the minister down, I cannot find any sign of concern about the continuation of these controls. I often wonder if people forget that these were invented less than twenty years ago by the notorious Dr. Schacht as a totalitarian instrument. That is what they were. We took them over, at first with the hope that we would use them only for a short time and then get rid of them. I sometimes wonder whether people forget that it is freedom that has brought us as far as we have come, until just a few years ago. But to my great regret I find that instead of these controls being regarded as evil, unnatural and temporary, a good many people—and not only those who are using those implements—are coming to regard them as beneficent, natural and, if not permanent, at any rate quite indefinite. Those responsible I think admit that they probably will some day disappear, but there is no sense of urgency. Indeed, on the contrary, there is rather a sense of pride.

I do not think we need to be surprised at that. As to men who are using these powerful instruments—because consider the enormous power put in the hands of men by foreign exchange control—and, I think, using them skilfully, how can you expect that they will want to toss them away? Of course they think they are good. As I undertook to say a while ago, men who have been using them, particularly young men, would have to jump out of their intellectual skins to believe that these controls are not good. I would remonstrate with the minister however who comes out, not without some feeling of pride—indeed I think that was the only part of the budget which gave him much satisfaction—and tells us about the exchange reserve they were building up. I would remind him of two or

three things there. First of all, they only build up this reserve by controlling us this way and that, by shutting out this and by shutting out that and, as I said on another occasion, by turning off the tap and turning it on again.

Secondly, I would remind the minister that he has gone part of the way I have suggested to him repeatedly. Notwithstanding that the Prime Minister (Mr. St. Laurent) said that devaluation would bring chaos—that, of course, was during the election—notwithstanding that the Prime Minister assured us that devaluation would bring chaos, we have had devaluation. Of course I know the minister will say: "Oh, yes, we only did it because other people did it." But what I am suggesting to the minister is that we are strong enough to go on our own.

The other thing I want to point out to the minister—not that I want to take away whatever little pleasure he may get out of the budget—is this. I want to remind him that a great deal of the satisfaction which he has had in the building up of his reserves has come about by entirely fortuitous circumstances. Alberta oil has been the right bower. I hold in my hand an advertisement from today's Ottawa *Citizen*, which points out that western oil is saving 100 million scarce United States dollars this year. If that is an accurate statement, if it is actually saving 100 million scarce United States dollars which formerly we had to pay for oil, it is only the beginning of what it is doing for the exchange problem, because it is also bringing large investments of United States dollars, which are also helping the exchange situation.

I am not going to elaborate this further; but I do think that as we go on with this instrument which we have discovered, as we persist in this evil course, which is not a healthful one for the economy but unhealthful, we seem to be like a man who has found a cure for drunkenness. He says: "It is all right for me to drink now because I have the cure in my own hand, and I can keep the situation in hand."

I just want to summarize briefly what I have been saying about trade and about exchange control in connection with it. This division into economic blocs is going to do us endless harm. I should like again to refer to a quotation which I gave on a previous occasion from the international monetary fund report, pointing out that there are risks in accepting the more competitive conditions that come from freeing the exchanges and freeing controls. But they say:

> Unless these risks are accepted, the improvement in the world economic situation made thus far may be replaced by deterioration.

That is the end of the quotation from the international monetary fund report of last year, but I should like to suggest that instead of the word "may" we had better put in the word "will", and that we can see the signs of it before us. In passing I should also like to mention what I think is often overlooked, namely, that as long as these fixed exchange rates remain they cut the nerve of international investment. I know we will be told that there has been much United States investment here. That is perfectly true. The lure of oil, and perhaps other lures have brought in large amounts, but nothing in the world like what could come if exchanges were free. Take a look at the condition of England and see what might happen to them if they were able to get freedom and with it international investment, the only thing that can enable them to bridge the dollar gap.

I want to remind the house of the meaning of the word "convertible". In plain words I would describe it as permitting you to spend anywhere money which you received for goods sold anywhere. In other words, that your money is convertible and can be used up and down the world. Incidentally, if we could reach that happy day, Mr. Speaker, the dollar problem by that time would have disappeared. There would be no dollar problem because money could circulate freely. I am not suggesting that that could be done without some disturbances here and there; but I am suggesting that we in Canada by happy accident are in a position where we could do it with the minimum of disturbance. All the evidence is that our dollar, on whatever free market there is, has hovered within a fraction of a cent of the fixed rate for several months.

I would remind the minister again of the modesty of my request. I recognize that the treasury department might wish to begin by making the dollar convertible only on current account. They might think they had to begin in that partial way.

I would repeat that we in Canada are rather fond of holding ourselves out as examples in this or that department of life. I think it is good that we can, but I suggest that here would be the best place of all to hold ourselves out as an example, and to strike a blow for freedom. I say again that if the controls remain we may find in all likelihood that Torquay will be abortive, just as to a very large extent Geneva and Annecy were abortive.

One other point on this division into two economic blocs. It may be that the tremendous oil discoveries, tremendous iron ore discoveries and other discoveries burgeoning to an extent that we cannot see now, conceivably

may solve our own exchange problem; but I want to ask, what is going to happen to many primary producers in this country if we really are going to be cut off for any extended time from the sterling area.

I hope, Mr. Speaker, that the period of watchful waiting is near an end, and that we may be coming to a period of action.

I want to say a word about economy. The minister's warning underlined economy. But I have the feeling that the minister might have said a little more than he did, might have given us a little more lead in the matter. He said, as reported at page 1213 of *Hansard:*

> The government became aware several months ago of these revenue prospects . . .

He had just been referring to the revenue.

> The government became aware several months ago of these revenue prospects and of the desirability of keeping our expenditures this next year within the total revenue that we could foresee in the economic conditions I have described. We decided that we should plan to do this.

I am sure the minister did not think it was a very original idea to try to plan to cover expenditures, but at any rate he did have this idea. The minister says that they all got busy. The minister, the treasury board and the cabinet got busy. Then we have the minister's word for it that they made substantial reductions in the estimates before they came down. Of course we are left to imagine what they were before they came down; and one might ask the government whether it was only because of this emergency that they really grappled seriously with the problem of economy. It would be interesting to know what the new method was, how it worked, and how much they did cut down. But of course in the state in which we now find ourselves we would never expect to have information of that kind, because we find it exceedingly difficult to get even information to which we are fully entitled. Therefore the door will be banged, barred and bolted at that stage, and we shall have only what the minister tells us.

I think the ordinary citizen will feel that it is just not reasonable that you cannot economize a lot when you are spending $2,400 million. I think that is what he will feel, and he will not be very sympathetic when the minister says that only $310 million of it is civil service salaries. He will be inclined to say: "Does the minister think the other $2,100 million are sacred? Is nothing to be done about that?" Is the minister suffering from a kind of fatalism? Are these other $2,100 million like interest on debt or statutory commitments? Incidentally, many of them are, of course. They will agree I think with what the minister said further, namely, that "if we want services we must pay for them." That is a very fair observation, but it leads me to say this: Most of us in this house—in fact, nearly all of us—are unable to take the necessary steps to find out whether these services really are necessary. No hon. member in the house, apart from the minister and his close associates, has any true knowledge except through an interpreter. Of course all that the minister as an interpreter gives us is what might be called the end result. We hear nothing of what has gone on before. It reminds me of an incident that happened with an interpreter in a court in Toronto one day. There was a Chinese witness and a Chinese interpreter. The interpreter asked the witness quite a long question which perhaps took a minute to put. The witness answered also at considerable length, let us say, almost a minute. At the end of the answer the interpreter turned to the court and said: "He say 'no.'" That was all the court got out of the long account, and I am sure that that is all we ever get from the minister. We get yes or no, the bare statement.

There are one or two items to which I should like to draw attention. For instance, we have the Department of Agriculture which apparently shows $7 million down. But, apart from the savings on western freight, which was down $12 million, we find that the estimates are really $5 million up.

There are decreases in the Department of Trade and Commerce; but on the other hand there is an increase of $1,170,000 in the national research council, which is the special child of the Minister of Trade and Commerce (Mr. Howe). I do not know whether he calls it his, as he called the Polymer Corporation yesterday. In any event he has a great interest in it—and we may be very glad that he has.

All I have to say about these things is that they are good. But how good are they? How are we going to know how good they are, and whether we need to bear this great expense, unless we have some better method of informing the House of Commons, unless some better method is devised?

For instance, I saw the other day a beautiful little booklet describing one of the provinces. It was beautiful, and it must have been very expensive to produce. Someone has told me that there was a good deal of inaccuracy in it, but I have no comment to make on that. All I am saying is that that is done, and it must have cost a pretty penny. Yet there is no opportunity to discuss a thing of that kind, or to find out whether it was necessary or not. I submit the present system is really contrary to common sense. Indeed, I support the view expressed more than twenty

years ago by the former prime minister, the Right Hon. W. L. Mackenzie King, in which he said one or two things which I suggest are of some importance, and to which I hope hon. members will listen. He said this:

> My hon. friend, the leader of the opposition, will recall that at the beginning of the session, I discussed with him the advisability of the different parties in the house adopting some more effective method of scrutinizing the supply requested by the government, some method which would enable members to hear what the officials of the departments had to say with respect to the several items included in the estimates.

And later he said:

> Speaking for the government, I would say that we would welcome a change in the present method —a change which would not only afford fuller opportunity for discussion, but which would carry with it an obligation on the part of the heads of different branches of the public service to appear before a committee of the house and explain fully the reasons which have occasioned the recommendations which find their place in the estimates submitted to the house.

That is what was said by Mr. King in June of 1928.

Mr. Speaker, I point out to you and to hon. members that that is exactly the kind of thing we have been asking for; but, with the exception of the Department of External Affairs, we have no chance whatever of getting it.

If time permitted I would like to make further reference to the searching comment made by the auditor general, Mr. Sellar. However, I shall content myself with one further bit of evidence, this time from Great Britain, showing the extent to which they go in their effort to come to grips with these matters. This is evidence which was given before a select committee of the British house, and which is contained in a report tabled in 1946. This describes the methods used by a certain committee to satisfy itself as to the propriety of certain expenditures. This is the information given by the clerk of committees:

> It is true, of course, that they asked for any evidence that they thought would assist them in the inquiry that any sub-committee was engaged in.
>
> If they were examining the expenditure, they not only went down to factories, but they had up as witnesses people who were actually engaged in this particular task in some form or other.

I am not going to pursue this matter further than to say that, whatever is to be done, the present situation is unsatisfactory, and indeed contrary to common sense. No one in this house has ever seen a dollar struck off the estimates. All that happens is that we have a long talk which we hope our constituents will read, and then nothing is done.

When that statement was made twenty-two years ago by Mr. King our expenditures were about $366 million. They are now $2,400 million. I suggest that if our conduct was foolish then, it is seven times as foolish now, because we are spending seven times as much.

I should like to review the budget situation briefly, and then come to a conclusion. I have tried to show the house that the situation is clear, that the best we can do, even if things are good in the coming year, is to break even. The minister has assured us—and he may be lamentably right—that we need not expect expenditures below $2,400 million. Then, in the third place, he said that the government had buckled down to the task of keeping down the estimates—and he wants a good mark for that. Fourth, he said that in good years—and he does not refer to bad years—that in good years we must balance. My comment on that is that I think it is widely believed that expenditures are going to go up, and that it is widely feared that trade will come down.

I have pointed out that I think the minister's attitude is too negative, and summed up by saying that, failing conditions favourable beyond expectation, it is a case of either deficits or higher taxation.

In these circumstances one might have expected something like a clarion call from the government. However, I suggest to the minister that all we have had has been a quavering and uncertain sound—occasionally a dirge, then cheerfulness breaking in, but no clear lead.

True, there was reference to a shelf of public works to give support; but relief works are not a solution. There must be a relief works program for any emergency. What is needed is something more than that. The government must create a climate favourable to enterprise, and lead the way.

What are they doing? Well, if I may digress I shall refer to one special matter, which I think is of some importance, in which they are doing what I think is apt to have an adverse effect upon enterprise. Apparently the Department of National Revenue is now beginning to make use of the provision in the Income Tax Act whereby the officials of the department have the authority to force corporations to pay dividends which those corporations do not want to pay.

Let me say at once that I sympathize with with the department in its desire to prevent any tax evasion, and I am inclined to believe that they ought to have enough skill and astuteness in their ranks to do that.

But I also wish to say that for members of the department to step in and to overrule the decision of a company's executive as to what the proper reserve inside a company should be is verging—and I do not like to use a strong term—is verging on unwisdom

of the most extreme kind. If there is any matter in connection with which the executive of a company ought to have the right to decide, I should think it would be on the extent of reserves.

May I underline that by placing on record some figures which astonished me. These are American figures, but I suggest the circumstances are sufficiently similar in this country to make them significant here. These figures disclose that it is estimated that this year in the United States ninety-two per cent of capital expenditures will come from depreciation and retained surplus. I do not say that it is all retained surplus; I say it is depreciation and retained surplus. That ninety-two per cent is coming from inside the revenues of the various corporations concerned. I point out that these surplus funds will be an absolute sheet anchor for investment, particularly if we run into times of slackened activity when we will wish to have expenditures made.

I cannot find words to express my feeling that interference of that kind is in the highest degree unwise. The natural inclination of companies is to pay dividends—except in respect of private companies which may be dealt with specially. The fact is that the ordinary company manager likes to pay a dividend. That is what the shareholders want, and his whole inclination will be to do it. To force him to use money which, in his discretion, he has set aside, and which will be available for the improvement of the company's plant and extension and all that sort of thing is, as I say, in the highest degree unwise.

I am not going to ask the minister to answer this question now as I will put it to him later on, but the rumour is that warnings have been given in many cases, and there are a few well authenticated cases, that there is a campaign on hand to try to clean out company surpluses. The men who are doing that are either very unwise or enemies of the system of private enterprise, because that should be one of the sheet anchors whereby private enterprise can prove its worth when the time comes to provide employment.

I am glad to be able to congratulate the minister on doing something—I hope it will turn out to be something substantial—to assist companies with small earnings. The minister promised last autumn that he would do that and I am glad to see that steps are being taken which I hope will prove to be effective.

I said a moment ago that we needed a clear call from the government, that we needed a climate favourable to enterprise, that the government should take steps to help the people to help themselves. The government should get off the people's backs and give them a lead. In October, 1948, our party went on record as being in favour of the following policy:

> In co-operation with the provinces to assist in the convention and development of our natural resources, and as one of the means to that end, to establish a national development advisory council.

Such a council would be made up of representatives of the provinces, of labour, of industry and of agriculture. At present we have merely an uncertain sound of helplessness and hopelessness and equally uncertain optimism instead of something of this kind. Such a council would have at its disposal the accumulated knowledge of its various members.

As an illustration of how the government can best co-operate with private initiative I would point out the mining industry. There you have the government giving a lead. The government makes surveys and provides information. The government suggests that such and such areas are likely to be fruitful and then the private individual comes along with his energy and initiative and steam and goes and does the job. Of course, the government should regulate and should tax, but the government should be the regulator and not the mainspring of the watch.

If we consider the possibilities in Canada today we look first of all at the western provinces where we have large resources. I was amazed to see a list of them the other day, things that I had never dreamed of. There we have resources of base metals which with the nearby coal and oil are capable of great expansion. The day has gone when we can regard the three prairie provinces as being merely agricultural. Alberta is already transformed and Saskatchewan may be well on the way. What is true of the prairie provinces can be true of the maritimes, and indeed true of every place.

It is unfortunately true that for strategic reasons we should strengthen ourselves in every way possible on the industrial side. This chimes in with the United States; partly because of their own defence program they will have a great need for the basic materials that we have. What a wonderful chance this offers for a true policy of "Canada first", a policy that could well redound to the benefit of other countries also so that we would have that best of all business arrangements where both sides are benefited.

On the other hand, if there is a failure to act we may find that we have missed the bus. The appearance of unemployment underlines the urgency of the need of action. Another

thing that is present in the minds of us all is the inescapable and overwhelming need of the democratic nations making it clear to all the world, particularly to that part which is in doubt and which is on balance as between democracy and communism, that we can provide a better way of life, not only in spiritual but in material things, than communism can ever do. It is obvious of course that if such a plan were carried out it would ease the tax burden by increasing the national income.

The minister concluded with what I thought was a rather odd note when he said:

> If at some future time we have to face serious difficulties, we shall find that we have never been better equipped and prepared to resolve them.

That sounds all right, but I point out again that it is a defensive note. I doubt if any serious person will believe that our difficulties will occur at some future time. He would realize that they are here now. Therefore I say that the appropriate attitude of the government is not to end on this defensive note but to take the initiative, go out and meet these difficulties. I have suggested some ways in which I think it can all be done.

This party, even though in opposition, would support such an effort to the utmost of its capacity.

Mr. Speaker, I move, seconded by the hon. member for Vancouver-Quadra (Mr. Green):

> That all the words after "that" to the end of the question be deleted and the following be substituted therefor:
>
> "This house regrets that the policies of the government, as announced by the Minister of Finance,
>
> (1) make higher taxation inevitable;
>
> (2) make no adequate attempt to eliminate extravagance and avoid unnecessary expenditure; and
>
> (3) make no provision for a program of national development, without which there can be no hope of a reduction of taxation and the present high cost of living."

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, my first word will be to pay tribute to the Minister of Finance (Mr. Abbott) for the presentation he made of the budget last Tuesday. In former years when he presented budgets to the house he made notable explanations of the measures he proposed, and last Tuesday's performance was no exception to the rule he established.

Before I go on to discuss the budget I should like to correct an error which appears at page 1389 of *Hansard* of March 30, 1950, the fourth line from the bottom, where the figure "$800 million" is reported. I understand that the hon. member for Moose Jaw (Mr. Thatcher) corrected this in *Hansard* before he left for home this week end but certain newspapers, particularly the Winnipeg *Free Press* and its subsidiaries, the Regina *Leader-Post* and the Saskatoon *Star-Phoenix*, have been using this figure and saying there is some rift in the C.C.F. with regard to social security and unemployment. There is no rift.

Of course, the figure should be about $660 million as outlined in the government's statistics and statements. I hope that the newspapers which have erroneously taken this figure as being authentic will correct it accordingly. But a mistake of nearly $200 million is a substantial error.

There is one other matter about which I wish to say something before I proceed with a discussion of the budget. Yesterday, following the statement of the Minister of National Defence (Mr. Claxton) on the arrangements at The Hague last week, I asked him a question as to the extent to which similar steps to integrate economic arrangements had been taken under article 2 of the Atlantic treaty in order to eliminate conflict in international economic policies and to encourage immediately collaboration among members of the North Atlantic alliance. The minister's reply indicated that Canada had taken a keen interest in this article and had —and I know this is true—contributed a good deal to its acceptance in its present form. It is quite apparent, however, that nothing has been done yet in this regard.

We think that article 2 of the North Atlantic treaty is of vital importance in the maintenance of peace. As we have often said, while the world situation unfortunately demands close defensive arrangements among the western democracies, totalitarianism will not be stopped by military arrangements alone. It is essential that economic conditions shall be so arranged that rapid improvements in standards of living throughout the world shall be made. Surely we have learned the lesson that dictatorships are prone to arise among people who are oppressed and who suffer poverty, misery and want. The removal of the causes of poverty, misery and want must be a major consideration of the democratic nations. We believe that only in this way can the threat to democratic freedom be removed. We therefore urge Canada to press for the immediate implementation of article 2 of the North Atlantic treaty.

Turning to the budget, obviously the 1950 budget marks the end of an era in the eyes of the government. The post-war boom, kept going by the necessity of aiding in European reconstruction as well as by the endeavour of private business to re-tool and convert from war to peace, is apparently drawing to a close. I think this is a fair interpretation to put upon the considerations advanced by the

Minister of Finance (Mr. Abbott) in his budget speech. The tremendous wartime and post-war capital investment programs undertaken by industry have largely been responsible for the soaring prices and much of the inflation we have experienced since the war. Public and private expenditures have risen year by year to a phenomenal level with the result that until recently there was not only full employment but actually a shortage of man-power as well as many vital materials.

The high level of business activity and the huge capital expenditure program have resulted also in unprecedented business profits. I do not propose to deal with that aspect of our economy as I have done usually in discussing budgets on former occasions. Obviously the recession in labour demand this past winter and the diminution in the volume of our overseas trade have caused the government to introduce this year a budget that is very different indeed from the one introduced last year. I say it appears therefore that we are witnessing the end of the post-war inflationary period, and consequently now is the appropriate time to do some stock-taking. That is what I propose to do this afternoon rather than to go into a detailed analysis of the budget.

My main criticism of the new budget is that the government seems prepared to accept whatever levels of production, employment and economic activity the uncontrolled, undirected and unplanned operations of the private enterprise system may bring to us. This was apparent when the minister gave us his forecast of revenue and expenditure for 1950-51. He stated that it was his expectation:

> . . . that in general our national employment and income will be sustained at approximately the present level . . .

He then went on to express the opinion that:

> Should conditions be better than this—as they could be if everything goes well—my forecast will be more than realized. Should economic conditions deteriorate, as they could, our revenue will fall off and our expenditure increase, as compared with the figures I am now putting forward.

In other words, Mr. Speaker, the government seems content to float along with the tide and the winds of fine or foul weather, the ebb and flow of economic activity, if you like. There is no suggestion that the ship of state will be set on a more favourable tack or that the auxiliary engines will be used if she runs into adverse winds or a strong ebb tide. The government has set no other course than that of taking the gamble that the winds will be favourable, the economic tide with us, and the weather clear. Therefore the minister budgets for a surplus. The economic uncertainty about which he warned us was underlined when he said:

> I should like to emphasize that our tax structure now is such that it is very sensitive to changes in employment and incomes, and relatively modest changes in these can have a more than proportionate effect upon our revenue.

I take it that every hon. member will agree with this statement, but in our view changes in employment and income need not, and indeed should not, remain beyond our control. It is at this point that we of the C.C.F. part company with the government, and indeed with all those who believe that we must leave our economic welfare to the chance decisions of individuals and corporations who occupy key positions in the economy of the nation.

The minister made it quite clear that in his opinion the central government should play an extremely limited role in promoting full employment and maximum production. He described the role of the government as fourfold. The first point he made was the creation of a favourable climate for enterprise, whatever that may mean. I noticed that the hon. member for Greenwood (Mr. Macdonnell), who resumed his seat a few moments ago, also took the point of view that the extent of the duty of the government was to create a favourable climate. The second point the minister made was in regard to the planning of the timing and placing of public works expenditures. Apparently, from recent statements made by the Prime Minister (Mr. St. Laurent), this should be done only when the municipalities and the provinces cannot cope with the pressing problem of unemployment. Only then should the federal government be asked to assist. I might remark that this is a return to the same kind of psychology that we knew in the 1930's when the central government took the view that the initiative must first come from the municipalities and then from the provinces. The third point was that the government should accept some special responsibility for the promotion and development of our basic primary industries. Well, I think the budget makes provision for certain primary industries, in a sense. What the minister means, I take it, is that such tax concessions as those given to the mining and oil industries should be continued and indeed expanded; and again I find that the hon. member for Greenwood (Mr. Macdonnell) is in full accord with that point of view.

The fourth point is that the budget makes some vague reference to readiness to co-operate with other governments, municipal and provincial, in meeting regional problems that threaten nation-wide economic repercussions.

I draw attention particularly to the qualification "regional problems". There is no indication on the part of the government that it is prepared to accept responsibility for either the maintenance of full employment or agricultural prosperity, and in our view that kind of responsibility must be accepted by democratic governments. I want to say as emphatically as I can that in this way only can the challenge of totalitarianism be met by free peoples. What I think the government fails to recognize, and what many hon. members of this house may not have recognized yet, is that the world is moving toward new forms of economic and social associations. That is, we are making a transition from the old to the new, and we of the C.C.F. believe that in doing this we must take every step we can to conserve that which is good in our present social relationship, while we consciously plan to assist in the evolution of the new. The precious rights of free association, free expression, freedom of worship and so on must be maintained; for these, I think in the view of all hon. members of this house, are among the fundamentals of a free society.

But let me add immediately that even in our own country these freedoms cannot be freely exercised by all. The man who fears loss of employment, the man who holds minority views, sometimes religious, sometimes political, is not always free to express his views. Nor are the thousands of farmers and workers who fear loss of markets for their produce or who fear unemployment, nor the businessmen who fear a business recession, completely free. For them and because of them—and they represent the vast majority of our constituents from one end of this country to the other—the planning of our economic resources and activities should be the first consideration of a democratic government.

Now I want to say very clearly and distinctly that in our view such planning does not require the establishment of an all-powerful state, nor does it require regimentation. Indeed, in our present society we have a great deal of planning by nation-wide corporations, which sometimes are monopolies in their own fields. They plan in their own, and often conflicting, interests which from time to time prove injurious to the nation as a whole. So I say it is not a question of planning or not planning our economic activities; rather the question is in whose interests we shall plan, and by what agencies it shall be undertaken. There is no indication in the budget speech or in statements by the government that any conscious attempt is contemplated to maintain maximum production and full employment; and I suggest that there is no other institution or agency in our democratic society qualified to undertake those tasks but this parliament or bodies set up under its authority and responsible to it. Last spring the government and its supporters across the country promised to maintain both full employment and maximum production and prosperity. That promise was made in 1945 as well. I ask them to say now, flatly and in plain English, whether or not they are prepared to fulfil the pre-election pledges made to the Canadian people in this respect. If so, in formulating the budget proposals the government should have placed before this house its plans for the maintenance, and indeed the expansion, of production and employment. Instead of this, what did the minister say? He hoped and expected that employment and income would be sustained at present levels, but warned that economic conditions might deteriorate. There was no suggestion that the government itself had a responsibility to maintain the one or prevent the other; nor indeed, as far as this house knows, has it any plans to do so, except the willingness already mentioned to co-operate with municipal or provincial governments in meeting regional problems, and again only if they threaten nation-wide economic repercussions. I would remind hon. members that the government refused this winter to present plans to give employment to the four hundred thousand who were seeking work at the time.

We hear talk of accumulating surpluses in some manufacturing industries, as well as in agriculture; as the Minister of Agriculture (Mr. Gardiner) put it, a little bit of cheese, a little bit of butter, and some honey. That was the way he put it before the actual figures were revealed; and those figures were rather disturbing. In some industries such as clothing and footwear, the manufacture of washing machines and in hardware sales, there is a falling off in the volume of business. Not long ago I read the speeches of the presidents of two of our largest farm implement companies, Massey-Harris and Cockshutt. Both stated that their sales in 1950 might be less than in 1949. That was the warning they gave their shareholders.

The trouble is that private enterprise or capitalism, if you prefer to call it so, is an economy which functions fairly well only when goods are being used up rapidly, as in war or in reconstruction, and generally in times of scarcity. As soon as capital construction and the tooling of factories are complete, and goods appear in abundance, purchasing power slackens and production slows down, sometimes ceasing altogether. Consequently in the last hundred years or so

we have seen periods of prosperity during wartime, followed by shorter or longer periods of activity and prosperity in the post-war interval, and then almost inevitably a slump. Abundance presents private enterprise capitalism with an insoluble problem which no financial juggling can hide or cure.

We are convinced that this need not be, that we are endowed with sufficient intelligence to be able to plan to meet these ups and downs, these booms and depressions, and to give measures of security such as the world has not known, at least in recent times. So we say plans should be made to guarantee the maintenance of full production as long as people anywhere in the world lack food, clothing, and homes. I say that, until these elementary requirements both in our land and elsewhere have been met, there should be no talk of curtailing production, no talk indeed of impending recession or depression. On the contrary, there should be a continuous expansion. The proper use of our manpower, our machines, and our resources should be organized and planned to provide a standard of living and security for all our people such as we can only dream about today.

I noticed that the hon. member for Greenwood brought a new note to the fore in his address this afternoon when he referred to the resolution of the Progressive Conservative party in the fall of 1948 when some idea of planning was involved in the resolution to which he drew the attention of the house. I say that by planning the proper use of our manpower, our machines and our resources we could provide a high standard of living for all our people, and create surpluses with which we could help raise living standards throughout the world, such as we can only dream of today.

I remember that prior to the war, during the depression, I made a statement in which I said that if our resources, our machines and our manpower were fully employed, we could produce the equivalent of $4,000 per year for every family of five in Canada. At the time this statement was ridiculed, though I neither said nor implied—indeed, I said the opposite—that all this production would be available for consumption goods, or that it could be divided thus equally, or that it could not be. But in the excellent speech he made on his estimates last Friday the Minister of Trade and Commerce (Mr. Howe), stated that our national production in 1948 was equal to an average of $1,200 per capita or, putting it as I did before the war, in terms of a family of five, exactly $6,000 per family.

With proper planning of production and of trade we believe that figure could be further increased and the standard of living of most people vastly improved. In our opinion this will not be achieved by trusting to automatic adjustments in an unplanned economy. Experience has shown that there is no automatic tendency in the present economic system, capitalism, for spending to keep up to output. Sometimes spending runs ahead of output and we get high prices and inflation. At other times spending lags far behind output and we get depression, business bankruptcy and unemployment. In our opinion this is accounted for, first, because profit margins diminish as capital becomes plentiful and hence private industry lacks incentive to expand; and second, because the unequal distribution of wealth gives some people less than they need to spend and others more than they can manage to spend. Years ago it was a good thing for society for people to have much more than they could manage to spend; for when machines were few and production was slow, there was a problem of saving sufficient for capital expansion, from which industry could borrow from the savings of thousands of people. Today I heard the hon. member for Greenwood complain about the income tax department attacking the undistributed profits of corporations. As a matter of fact, today one of the difficulties in the present phase of capitalistic society is that the savings of the ordinary people cannot find suitable places for investment largely because large corporations are accumulating reserves out of which they can make their own expansion without public borrowing. Consequently our banking and lending system is becoming far less important to industry than it was in days gone by.

I should add that now the principle, widely accepted by many economists, is that the level of spending needs to be planned and maintained if slumps are to be avoided. I think that was the lesson which we were taught in the 1930's. But in spite of some storm signals which may or may not foreshadow a storm during this current year, the government's budget includes no plan to meet any threat to our economy. The erratic fluctuations of private capital are a prime cause of boom and of depression. It is, in our opinion, the task of government so to plan the economy that the amount of spending by government, by business, and by consumers is in the aggregate sufficient to buy all we can produce or obtain in exchange for the things we produce, including of course provision for capital goods and expansion. This, surely, is the central problem of economic stability to which democratic governments must give attention if we are to withstand and to defeat the threats of totalitarian communism or equally the threat of

some form of totalitarian fascism. Not only this, but we have always to remember that our social welfare program depends upon the maintenance of a sound economic foundation. Such a program of social security must be enlarged substantially if the Canadian people are to be assured of that national health and social security system which modern democracies expect as of right. This I say is another reason why we should give attention to the intelligent planning of our economic activities.

The government should therefore, in its budgetary proposals, present a plan for the maximum employment of our manpower, our industries, our resources, and for the maximum production of goods. This the budget does not do. A great British Liberal economist—and I draw the attention of the house to the fact that he is a Liberal economist—Sir William Beveridge, now Lord Beveridge, put this well a few years ago when he wrote:

> Adoption of a national policy of full employment means a revolution in national finance—a new type of budget . . . What is the essence of this new budgetary policy? It is that the budget is made with reference to available manpower, not to money; that it becomes, in Mr. Bevin's phrase, a "human budget". Manpower is a datum; it cannot be altered by state action; to take anything else as a datum and to try to fit use of manpower to it is to risk mass unemployment or mass fatigue. It follows that the minister of national finance has to take each year one cardinal decision: after estimating how much, assuming full employment and under the taxation which he proposes, private citizens may be expected to lay out that year on consumption and private investment, he must propose for that year public outlay sufficient, with this estimated private outlay, to employ the whole manpower of the country, that is to say sufficient to make the assumption of full employment come true. This cardinal decision involves a break with the two main principles which have governed the state budgets of the past; first, that state expenditure should be kept down to the minimum necessary to meet inescapable needs; second, that state income and expenditure should balance each year.

Then he went on to suggest some means by which total spending or outlay should be controlled; and if I may be permitted to summarize what he implies, and what I think is pretty sound, it is this: First, consumers' expenditure can be raised or lowered by changes in taxation and by the social security policies of the government. Second, private capital expenditure can be influenced by credit policy and by the rate of interest influenced by our central banking policy. As I have already indicated, private capital expenditure is the most unstable element in our economy. That is why the C.C.F. advocates that some of our great key industries should be publicly-owned to give the government a greater measure of direct control over the capital expenditures in this vital sector of the economy. Then, of course, capital expenditure by the government and by various government agencies, for example, crown and other public corporations, can be directly regulated and changes in capital expenditure in this sector can be used to some extent to offset fluctuations in the private sector. Therefore in a mixed economy the public sector can be used to protect the economy against the fluctuations in the private sector. The greater the degree of public ownership the easier it will be to take effective action to prevent a major slump.

The planning I have outlined would, of course, require the organization of a national planning commission or national investment board responsible through the government to parliament. I want to say here that it does not involve setting up a sort of super cabinet; and that such a body should be representative of a number of interests in the community, namely, government, labour, agriculture, industry, co-operative societies and so on, and in each of these the consumers' interests would be represented. The proposals of the national planning board or commission established under the authority of parliament would be brought here in broad outline for approval. That would be the function of parliament. This is not a new principle, and indeed it is not necessarily a socialist idea. For anyone who will read that profound study of finance and economy by the late Lord Keynes, "The General Theory of Employment, Interest and Money", will find that he suggests that, in the next phase of social progress, that kind of thing will have to be undertaken.

Mr. Macdonnell (Greenwood): I do not think that his sway is as absolute as it used to be.

Mr. Coldwell: No; I quite agree that Lord Keynes' sway may not be as absolute as it used to be; world thinking has passed beyond the point at which it was when Lord Keynes wrote this particular study of employment, interest and money and the other books that he wrote outlining his theory. I think we have passed beyond that. I said that there would also have to be development programs and other projects to meet the specific problems of regional unemployment. Let us not forget that the Canadian economy is particularly vulnerable to seasonal unemployment, and specific measures will have to be planned to stimulate employment in our slack periods when there is seasonal unemployment.

Our vital export trade must be protected through long-term contracts and other beneficial controls so that we do not suffer more than is absolutely necessary from slumps in other countries which endeavour to export their domestic unemployment, in the form of goods which they are prepared to dump upon

the world market. Our external markets must be made as secure as possible and we must not shrink from the controls necessary to achieve that objective. We do not believe in controls for the sake of exercising control; but we do believe that certain beneficial controls in the interest of most of the people should be put into effect by the government when such controls are necessary to protect the great masses of the people of our country. We have seen what the recent lifting of controls has done in the field of rent. Many people have been unable to compete with those who have longer purses for the accommodation that they need. Our external markets must be made as secure as possible, as I have said before, and we must not shrink from anything that is necessary today to protect those markets. I say that Lord Keynes' ideas may be somewhat out of date now, but nevertheless a study of what he has to say in this connection would be quite interesting.

Furthermore, we are convinced, as I have indicated, that the government must socialize some of our major industries in order to permit the degree of planning necessary to achieve and maintain full employment and maximum production. There will always be severe limitations on our democracies as long as great economic power remains in the hands of small private minorities. So, Mr. Speaker, this afternoon what I have tried to do is to advocate a new approach to our national budgeting. I believe that with a full and proper use of our resources and manpower we can provide a rising standard of living and a comprehensive social security system from the cradle to the grave for all our Canadian people. In a growing community such as Canada is, where so many things need doing, there should always be more jobs available than there are workers to fill them.

I should like to add one last word, for my time is almost up. As I said at the outset, I believe the world is witnessing a transition from the economy of private production for private gain to one of public enterprise for the common good. The problem of modern statesmanship in all the western nations, so it appears to us, is how best, how speedily, and with the least dislocation in bringing this about, the maximum distribution of volumes of commodities can be secured.

Time may not be on the side of the slow-moving democracies. Millions are demanding the right to a sufficiency of food, clothing and shelter. If dictatorships, while denying, to those who have never enjoyed them, those precious freedoms of thought, speech, association and worship we take for granted—if, I say, dictatorships can provide that social and economic welfare which we could provide so much better but do not, then we shall lose the battle for real democracy and freedom.

And so, Mr. Speaker, in order to place our views more clearly on the record I wish to move, seconded by the hon. member for Vancouver East (Mr. MacInnis):

That the amendment be amended by deleting therefrom all the words after the words "Minister of Finance" and by inserting instead thereof the following words:

(1) indicate that the government is prepared to accept the present level of production as adequate for this country and as placing a limit on the services and security to be provided for our people; and

(2) make no provision for increased national production through economic planning, public control of investment, public ownership of monopolistic industries, and the full and proper development and use of our resources, so as to ensure a rising standard of living and comprehensive social security for the Canadian people.

Before resuming my seat I should like to read the amendment as it will appear when amended, thus making it more intelligible. It would then read:

This house regrets that the policies of the government, as announced by the Minister of Finance,

(1) indicate that the government is prepared to accept the present level of production as adequate for this country and as placing a limit on the services and security to be provided for our people; and

(2) make no provision for increased national production through economic planning, public control of investment, public ownership of monopolistic industries, and the full and proper development and use of our resources, so as to ensure a rising standard of living and comprehensive social security for the Canadian people.

Mr. Solon E. Low (Peace River): Mr. Speaker, my first words must be words of congratulation to the minister on the presentation of his budget. I suppose the stylish and popular thing for me to do would be to think up a good many nasty things to say about it. However, I do not think that I shall waste my energies in an effort to do any such thing. I would prefer to think of it in another way, and use my energies to put before the house some constructive criticism.

I know many Canadians are very much disappointed because the minister did not provide further relief from taxation this year. In particular they feel the sales tax should have been abolished. In the light of what I shall have to say later, I think there is no good reason why their desire should not have been granted this year. Goodness knows, they have been asking for it long enough, and for the major reason that the sales tax does contribute so much to the high cost of living.

The government, of course, appear to think that they have the right to tell the people of Canada what they are going to get. That brings me to a phase of the budget, in the statement the minister made the other day, which I think will be of interest to all Canadians, and that is the question as to what should be the functions of a national government.

The last issue of *The Montrealer* says this:

> There are some badly distorted ideas around today about just what the functions of a national government should be. Basically, the government is an organization set up by the people to run the affairs of the country for the benefit of the people. However, when the government attempts to become the master of the people by making the people dependent upon it, then the people and their very country are in grave danger.

I think we can all pretty well agree on that —at least I agree with it. However, in his budget speech, after a brief discussion of the unemployment in the past winter, the minister reminded the house that a central government cannot and, indeed, should not attempt to assume responsibility for all these regional problems. Then he attempted to define what he thought the role of a central government should be. His views are set out at page 5(a) of the mimeographed document he placed in the hands of the leaders of the different parties immediately prior to presenting his budget. He did outline the four factors which make up what he said was the role of the central government.

I am not going to read those into the record, because they have already been dealt with by previous speakers. I noticed, however, that he omitted what I thought were two of the most important functions of government. These are, first, to conduct government in accordance with the will of the people and in their interests—not in the interests of those who sit on the front benches of a political party—not at all. The second thing which I consider a very important role of central government is the removal of all those barriers and artificial restrictions which deprive individual Canadians of the opportunity to achieve for themselves and their families economic security and freedom. If those two things were included in the minister's concept of the role of central government, I feel that I could go a long way with him. No central government with authority over financial policies can possibly divest itself of these responsibilities which I have mentioned, and still be called democratic. So the people, I am sure, will call the minister and his colleagues to account for neglecting to include these two all-important things in their concept of the role of a central government.

I have another compliment for the minister. I like him, as I have said many times before. I think he is a young man of great ability. One of these days he is going to have a new approach to financial policy; and when he does I am satisfied that he will have the courage to do his budgeting along those lines.

The compliment I wish to pay to the minister at this stage is this: I do not believe any government in modern times, at least within my knowledge, here in Ottawa, has succeeded in estimating so closely expenditures and revenues. That is an achievement, in a day like this when our budget runs between $2,400 million and $2,500 million. That is a real achievement. I wish to congratulate the minister upon having scrutinized the financial affairs of this country, and having appraised them so closely.

I believe at this stage I should say one thing, perhaps not by way of criticism, but by way of suggestion. It has already been mentioned by the hon. member for Greenwood (Mr. Macdonnell). I do believe that members of the House of Commons could be of greater help to the government, and certainly could discharge their responsibilities to the people of Canada better, if the estimates of expenditures were to be sent to committees set up for the purpose of giving them careful scrutiny and study.

I have had some experience in the committee on external affairs, in the last five years. During each of those years we have studied in a detailed manner the estimates for that department. After meetings of that committee I have felt as if we had come to grips with the details and with the facts. We were able to call before us experts from the department and we asked them all the questions we could think of. We got from them the reasons why this or that expenditure was necessary. In other words, we assured ourselves that there was a real need for everything that was proposed. When we came back into the house we felt as if we had done something like our duty. That is impossible under our present system of studying estimates in the house. It is utterly impossible with a committee as large as we have to apply ourselves diligently to that matter. As you well know, the tendency in this chamber is to give speeches and not to get down too much to fine details of consideration.

I urge the government to consider dividing the house into committees for at least a preliminary study of the estimates so that we may feel as though we are discharging our responsibilities to the people of Canada, and so that we can go back to them and say that we have given these things careful study and have assured ourselves that the government is following a policy of real economy; so that we can say that we know that because

we have gone into the details. That is the assurance I would like to be able to give my people. There are a great many advantages in this but I have not time to deal with them today.

In his budget address the minister forecast a national product of some sixteen and a quarter billion dollars in 1950-51. In 1948-49 we produced $16,000 million worth of goods and services. Those are staggering figures and they seem all the more remarkable when we remember that the total production for 1937-38 was $3,500 million. When we contemplate the huge increase in our actual yearly production during the past ten years we must all feel proud of our country. To produce in a year enough material wealth so that each family, as the hon. member for Rosetown-Biggar (Mr. Coldwell) said, may enjoy in the aggregate $6,000 worth or, to reduce it to consumer goods available, more than $4,600 worth a year, is a real achievement. That is exactly what we did in 1948-49.

What is more, we have not reached anything like the peak of our productive ability. It is not inconceivable, at least to me, that if our farms and our factories and other enterprises were operated to their optimum capacity we could produce $20,000 million worth of available goods and services in this country, and that with very little change in the organization of our enterprises.

But the question I am led to ask when I contemplate that staggering volume is this: Can we distribute it? That is a matter for serious consideration. That is the biggest question we face today. Judging from the experience of the past I doubt greatly whether Canada's distribution mechanism could possibly place these wanted goods and services in the hands of the consumers so that they could be used and enjoyed. When I say "enjoyed" I am taking a different stand on this whole problem of economics from the hon. member for Rosetown-Biggar. We in this group do not lay stress on full employment, we say there should be full enjoyment. Surely our Canadian people are more entitled to a fair distribution of the leisure time made possible by mechanization and the introduction of labour-saving devices than they are to being kept with their noses to the grindstone for a specific period, I do not care what it may be.

Mr. Coldwell: We do not disagree with that.

Mr. Low: The hon. member for Rosetown-Biggar interpolates that he does not disagree with that. I am glad he does not. Hon. members of the house would do well to give serious consideration to something the hon. member for Acadia (Mr. Quelch) placed on the record the other day, to be found at pages 1380 and 1381 of *Hansard* of March 30, 1950. The facts and figures there set out should be studied by earnest people everywhere, and I especially commend them to those who have had some experience in accounting.

There is a widespread habit among Canadians of looking upon the terms "gross national production" and "national income" as being one and the same thing. I have heard cabinet ministers and other hon. members speaking as though they believed the market value of the national product and the national income were synonymous. That is not so. The national income invariably is less than the market value of our total production. That is true of Canada and I think it may be said to be true of all highly industrialized nations. Because the national income in any period is always less than the gross national product, surpluses accumulate.

If those surpluses are allowed to grow you will have either the destruction of valuable goods or the reduction of production. I think the reduction of production in a day like this would be a crime against society. If production is curtailed an increase in unemployment is inevitable, you reduce the standard of living for the masses of the people, and there is a serious shrinkage in income tax base.

The Minister of Finance (Mr. Abbott) must realize that if the base for income tax assessment becomes much smaller he will simply not be able out of taxation to maintain a level of expenditure of $2,400 million which he said we must somehow continue to cope with even in the absence of large scale economic difficulties or widespread unemployment. I think the minister must have had a few bad moments when he contemplated that statement that he wrote into his budget and from which I have just quoted his own words. Not many sentences further on he said:

> In years when economic conditions are adverse we must expect not only lower revenues but higher expenditures to assist in overcoming those economic difficulties and to maintain satisfactory levels of employment and income.

Those words would indicate to me a sober burst of realism, but what the minister failed to tell us was how he would finance higher expenditures out of a seriously shrunken tax base. For instance, how will he extract $530 million of income tax from individual Canadians if the total money income of the people is allowed to shrink during what the minister may call adverse years? That calls for serious contemplation and I think when the minister presents his rebuttal he ought to make clear to us how he would in times of adverse economic conditions get the money with which to keep expenditures up to a level of $2,400 million a year, which it would appear we have pretty well committed ourselves to spend.

I do not believe the minister has access to authentic information about all those factors in our economy which might bring on adverse economic conditions. We have never had competent technicians investigate and report on the potential productive capacity of Canada and the factors which make our national money income insufficient to move the gross national product of Canada. In this respect we have lagged away behind our neighbour the United States. We cannot afford to face the future without all the authentic facts we can possibly get from the fullest possible scientific investigation. The people of Canada certainly are entitled to have those facts.

The minister and his colleagues should think back to 1934 when President Hoover's administration appointed sixty engineers, technicians and economists to make a survey of the potential productive capacity of the United States as well as of those factors which obviously were making the national money income unable to move the gross national product. This body of experts under the chairmanship of Dr. Harold Loeb made a thorough analysis of the relationship between the national income and the national product. They issued their report in 1935 and it was published under the title, "The Chart of Plenty." You may not like to listen to what I say, and of course I would not blame you at all for that, but this report made by sixty technicians, engineers and economists of the United States is something that no one in this country can afford to ignore at a time like this. I want to quote three short excerpts from the conclusions that this investigating committee reached after a most intensive study of the situation in the United States. Turning first to page 71 I find this conclusion:

> The budget line shown in heavy dots on the chart by its (general) location to the left of the capacity line clearly shows the destitution of the American people was due in 1929 to poverty and not to scarcity. The majority of the commodities listed could have been produced in desired amounts but could not have been sold at asked or profitable prices. The total national monetary income in 1929 did not equal the total price asked for the goods which could have been produced by the plant then existing. But instead of dropping prices until monetary income was able to command full production (which is the classical answer to this situation), prices were maintained and production was restricted. Consequently, national monetary income did not in 1929, nor does it today, command the full production of our industrial plant. Which is another way of saying that the national income was not what it should have been. In fact, since 1929 the national monetary income has been commanding an ever-decreasing volume of consumer goods and the actual national income has become but a fraction of the possible national income.

That calls for serious consideration. I should also like to refer to a short statement made by this committee on page 159 of their report. The statement that I am about to read from the report was made after the committee had set up a chart showing that the average dollar value of goods produced per worker in the United States increased from $1,648 in 1869 to $6,533 in 1932, and that during the same sixty-odd year period average wages income per worker rose from $302 to only $1,096. After contemplating that and making a careful study of the reason why, they had this to say in their report:

> Thus it is clearly evident . . . that the increasing productivity per worker in the past sixty years has not been translated into a proportionate increase in the standard of living of the population. It would seem that under the open market system this increased productivity per worker is prevented from effecting the improved living level one would expect by the related alternative measures of: (a) preparing for and waging war; (b) excessive reconstruction and expansion of plant, an orgy of saving made possible by the practice of creating money for purposes of private profit by means of the bank-credit mechanism.

Again on page 161 there is this very terse conclusion:

> Since the present economic system has no means of distributing goods and services in excess of an amount which provides little more than subsistence for those possessing no property income, either the present system of rewarding labour must be discarded, or the plant and personnel must be operated at two-thirds' speed, or one-third unneeded productivity must be diverted into waging war, preparing for war, or some new large-scale speculative undertaking whose nature has not yet been envisaged.
>
> This is the dilemma of society as exposed by the study of the national survey of potential product capacity. It would seem that the simple and obvious way out, that of giving a buying power adequate to procure desired goods and services to the limit of our ability to produce them, might well be tried.

I emphasize that.

Mr. Coldwell: May I ask what the title of the book is?

Mr. Low: This book is "The Chart of Plenty" which was issued by the committee set up by the Hoover administration to investigate the whole of the United States economy and report on it. I want to repeat that last portion:

> This is the dilemma of society as exposed by the study of the national survey of potential product capacity. It would seem that the simple and obvious way out, that of giving a buying power adequate to procure desired goods and services to the limit of our ability to produce them, might well be tried.

As I say, Mr. Speaker, hon. members probably would not like simply to listen to me, but they cannot afford to laugh off the serious conclusions of men of the calibre of those who were on that committee, conclusions which were made after very careful study of the whole situation in the United States. The main conclusions of the committee of experts appointed by the Hoover administration have been confirmed in more

recent times than 1935 by a good many first-ranking economists. I only have time to refer briefly to one of them now. As I said before, you may not feel inclined to listen to me, but I say with humility that I have prepared nearly three times the number of budgets that the minister has, I have presented them in parliament, and I have defended them, so that I have learned a few realities about sources of supply, tax bases, and attempting to balance a budget within the limits of our present system. We had better take cognizance of what thinking men are saying.

I want to refer now to one particularly whom we cannot afford to disregard. I refer to none other than Professor C. E. Ayres who for eighteen years has headed the department of economics at Texas university. A man who has held the chair of economics in a large university for over eighteen years must have something on the ball. Professor Ayres undertook an independent study along the same lines as that pursued in 1934 and 1935 by the committee to which I have referred, which was appointed by President Hoover. In 1946 Professor Ayres issued his report under the title of "The Divine Right of Capital". At page 33 of the book he has this to say, by way of conclusion to the portion of the work covered up to that point:

> What we have learned as a result now seems obvious indeed.

He means as a result of his studies since 1929.

> The economic heretics have been trying all along to make us see it. No economy could swing back and forth so wildly from one extreme to the other without there being something very wrong about it. There is indeed something very wrong with ours. It fails to distribute mass-consumer purchasing power in sufficient quantity to permit the entire product of industry to be purchased. This failure exists at all times under capitalism and is noxious at all times.

There is nothing at all equivocal about that. Then he sums up his solution, or at least an answer to it, on page 95 in these terse words:

> What we require, and all we require, to make the industrial economy work is a flow of mass-consumer purchasing power sufficient to absorb the entire product of industry at whatever level of production we may be able to achieve. This would not bring Utopia. It would not solve all problems. On the contrary, it would solve only one problem, the crisis into which we have been thrust by the institutions and dogmas of absolute capitalism. But this problem is the most important one we face today in this sense. If we solve this problem, then we shall have an opportunity to tackle others. If we do not, all our present problems will merge in the general collapse of the present structure of western society.

It seems to me those are words of gravity, which should serve as a warning to the people today. There you have the problem, Mr. Speaker, and in a general way the answer. But I notice a complacent attitude on the part of many hon. members who seem to think that social services, especially the payment of family allowances, will close the gap between the national income and the gross national product. This is not so, as long as family allowances depend upon taxation. They are paid with money taken out of an already inadequate national income, through taxation. Family allowances are desirable, and in a measure they do help to keep up consumer demand for our production. But it must be clear to anyone who thinks about it that paying family allowances by taxing the money from the people is merely redistributing part of the national income that we have shown is already far too small to distribute our total production. And what aggravates the situation is that our present system of taxation makes it possible for practically the whole taxation burden to be shifted to the ordinary consumer with the lower income. He pays the shot principally through tax-inflated prices of the things he has to purchase in order to live. Therefore family allowances, under the present technique of getting the money to pay them, do not and cannot possibly close the gap between national income and national production. Surpluses of vitally needed goods will continue to pile up to embarrass our economy, throw men out of work, and bring us face to face with depression and suffering, unless we can do something fundamentally sound to take care of those surpluses.

Already the United States is facing serious economic problems. Already in that country vast surpluses of food and other materials have accumulated that cannot be moved into the hands of consumers; yet large sections of the population are not getting enough to eat. The last two issues of *Life* magazine, which I am sure most hon. members have seen, have brought home to us all the fact that huge surpluses do exist there and that unemployment and privation in some areas are present in serious proportions. Therefore poverty in the midst of plenty is again rearing its head. What is happening in the United States could happen here, because our economic and financial techniques are similar, and conditions in that country do have a strong influence on our own country.

It is gratifying, however, to see that some prominent thinkers in the country to the south are applying themselves to this great problem of making the national income equal to its task of distributing equitably the gross national production. The articles in *Life* magazine are a good indication of this concern. I was interested also in a United Press article which appeared in the Montreal *Star*

under the dateline Washington, March 31. I should like to quote it, because it is a good example of the kind of constructive thinking that is going on among at least some prominent officials. It is headed "Feed U.S., Senator urges", and reads:

Senator George D. Aiken, R., Vermont, said today that government subsidies should be used to provide extra food for the more than ten million Americans who don't get enough to eat.

Think of that; ten million of them.

He said his plan of government "food allotments" for low income families would solve the "twin-problem" of malnutrition and mounting food surpluses.

Aiken, ranking G.O.P. member of the senate agriculture committee, said his plan wouldn't cost much more, if any, than is being spent now to keep food off the market.

He also opposed the government's controversial Brannan plan for direct subsidy payments as unworkable and too costly.

In a speech prepared for a thirteen-state dairy conference, Aiken estimated that farm supports now cost about $1 billion a year.

"With mounting surpluses and increasing unemployment there is no time to be lost in meeting the challenge head on," he said.

This would indicate that there are people who are beginning to take more cognizance of the situation. On many occasions my colleagues and I have reminded hon. members that during the war of 1939-1945 spokesmen for the government time and again declared to this chamber that they would let no financial restrictions interfere with the war effort. The only thing we had to consider during wartime was whether we had the manpower and the material resources necessary for an all-out war effort. Canada did not hesitate to produce ships and guns and planes and tanks and shells to the utmost of our physical capacity; and for what? For destruction. Financial cost was of little or no concern. The government saw to it that what was physically possible was made financially possible; but they took ways of doing it that hung a millstone around the necks of the Canadian people. This is not quite one hundred per cent true, however, for I am reminded of something revealed by Professor A. F. W. Plumptre of Toronto university, who wrote an article which appeared in the *Financial Post* of October 5, 1940, under the title "Putting over the next war loan." I quote a brief excerpt from the article:

There are some general matters of theory which must be kept in mind in preparing for the next war loan. It must be remembered, primarily and seemingly paradoxically, that the government's object is not to get money but merely to reduce the public's spending . . .

Then he went on:

The government can always "get money" because it may, as an alternative to borrowing or even taxation, create the required funds. This it can easily do nowadays through the leadership of the central bank and the co-operation of the chartered banks. In this way $200 million were created in this fashion last autumn.

What for? For the war effort; not to take care of the unemployed, not to offer social security, not to close the gap between the national product and the national income, but for destructive purposes. Well, I claim that this statement, based upon facts that were brought to light in the banking and commerce committee of this house in 1939, certainly should serve to silence those critics of ours who are constantly making the assertion that the government can get money only from taxation or borrowing.

I see it is six o'clock, Mr. Speaker. I did not get started until twenty-five minutes after five, and if you would permit me just two or three minutes more I can finish.

Mr. Abbott: Go ahead.

Mr. Low: Thank you very much; I do not like to ask favours. It is clear that when Canada is faced with adverse economic conditions and the minister's tax base begins to shrink, then he ought to have the facts of the whole situation before him. He ought to know that no matter how heavily he taxes he cannot get money out of surpluses of our production that people cannot buy and use. It is only when people can buy and use goods that the minister can get taxation. That is clear. If we are to avoid economic troubles the minister will have to know exactly the relationship between the national income, which is the sum of all the money incomes of the people, and the gross national production of goods and services. He must be able to see clearly the factors and forces that are at work in our economy that produce that relationship; and he and the government need to have ready sound techniques which they can apply at once when adverse conditions begin to appear, in order to prevent further trouble.

I appeal to the government, therefore, to gather together and appoint a group of technicians, engineers, economists and businessmen. There should be not less than forty in all; have more if you wish, but forty would be able to do a good job in a reasonable time. Call them a national survey commission, or whatever you like. Charge them with the duty of investigating two main things in detail: first, the real and potential productive capacity of Canada; second, the relationship between our national income and our gross national production. These men should be kept absolutely free from political interference and they must, in my judgment, be given a free hand at all times and all the time they need to investigate fully and to

publicly report on the true state of affairs within this country, in the manner of the Hoover committee for the survey of potential product capacity in the United States.

I urge upon the government that they lose no time in the appointment of such a group of technicians. It is true that our economy is buoyant today; and the minister presented the other night what I thought was a buoyant and optimistic forecast for the year 1950-51. I think he was right. I think I can agree with him. But danger signs have appeared, more particularly in the United States. As I have said already, what happens in the United States to bring on adverse conditions is bound to affect our own economy. Not only that, but there are in Canada today many people on the borderline of poverty, such as pensioners, unemployables, and so on; and there are a good many too who are unemployed who could be making use of our surpluses right now. When things are buoyant, men are often too optimistic to see the danger signs until it is too late. So let us have the survey made now and the report that will be presented to us so that we can make some adequate provision for the days ahead while there is yet time to do it.

May I thank you, Mr. Speaker, for your indulgence in giving me this little bit of extra time in order to round out what I wanted to say.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

PRAIRIE TRANSMISSION LINES LIMITED

The house resumed, from Monday, April 3, consideration of the motion of Mr. Benidickson for the second reading of Bill No. 9, to incorporate Prairie Transmission Lines, Limited, and the motion of Mr. Macdonald (Edmonton East): "That this question be now put."

Mr. Speaker: The hon. member for Royal adjourned the debate.

Mr. Brooks: This is not the same bill.

Mr. Knowles: The hon. member for Winnipeg South Centre (Mr. Maybank) adjourned the debate on this bill and said he wanted to speak on it.

Mr. Maybank: Mr. Speaker, I am just like a woman; I can change my mind.

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

[Mr. Low.]

Some hon. Members: Question.

Mr. A. J. Brooks (Royal): Mr. Speaker, since the hon. member for Winnipeg South Centre is like a woman and has changed his mind, I should like to make a few remarks on this bill.

Mr. Maybank: Take all the time you like.

Mr. Brooks: Thank you. At eleven o'clock last night we were discussing Bill No. 7. Now we have gone back to Bill No. 9. It is confusing and difficult to know just where we are on these pipe-line bills, because we keep changing from one to the other. However, as the principles in both bills are practically the same, the remarks which I intended to make on Bill No. 7 will be appropriate to Bill No. 9.

Mr. Knowles: And vice versa.

Mr. Brooks: And vice versa, as the hon. member for Winnipeg North Centre says. I believe that this debate has been more than justified by the information that we have obtained in the house regarding the proposed pipe lines from the oil and gas fields of Alberta to the Pacific coast.

I have listened to the arguments that have been presented by the different members for and against the different routes. I must say that the arguments have been mostly for the proposed line going through the Dominion of Canada and not down through the United States, as has been feared would be the result if these bills went through. What has impressed me most has been the attitude of the people who are most concerned in the construction of the pipe lines. I refer particularly to the legislature of British Columbia, which, as I understand, voted unanimously in favour of the pipe line going through the province of British Columbia. As all hon. members know, the legislature of British Columbia is composed of members from three different parties, namely, Conservatives, Liberals and the C.C.F., the Conservatives and the Liberals forming a coalition government and the C.C.F. the opposition. My information is that the legislature of British Columbia voted a hundred per cent in favour of a pipe line through that province.

I have also been impressed, Mr. Speaker, by the fact that the city council of Vancouver, the city which is most interested, of course, in these pipe lines, is very much in favour of an all-Canadian route. The boards of trade of the different towns and cities throughout British Columbia, as well as labour organizations and many other bodies, have expressed the view that a pipe line, if and when constructed, should be constructed through the province of British Columbia.

As I said at the outset, these are facts, Mr. Speaker, which should impress not only the

people of western Canada, but all Canadians who are not only interested in the development of their own part of the country but anxious to see the development of the west as well as the centre and the east. If the legislature of British Columbia had voted against the pipe line going through that province, or if there had been any split in the legislature, their vote would not have been effective. If there was any great difference of opinion in these other organizations that I have mentioned then we might feel that there was some reason for a divergence or difference of opinion in this House of Commons; but such is not the case. The people who are most concerned, the people who would benefit the most, are practically unanimous in their desire that this pipe line go through the province of British Columbia.

Perhaps there was not as much interest in other parts of Canada in this pipe line a few weeks ago. That is understandable. Canada is a vast country. We in the maritime provinces, for instance, are a long way from British Columbia or Alberta. Unless the public's attention is called to these things they do not create the interest in other sections that they do when the people learn the facts. But since this debate started I have been amazed that no matter in what part of the country you live you find that across this country today the newspapers are very much concerned and interested in this matter of the development of pipe lines in western Canada. They are very anxious that this pipe line should be constructed so that we in Canada, regardless of the part from which we come, will develop our own country first.

Some might ask, and I have been asked the question: What interest have you in New Brunswick in a line that is pumping gas in western Canada or in the western United States? Surely you have problems of your own in the maritime provinces. These are the problems which should concern you most.

We have problems. In the maritime provinces we have many problems. I have mentioned them in this house at different times, as have other hon. members from my own province and from other parts of the maritime provinces. For instance, we have been pressing for the Chignecto canal. We have been pressing for more hydroelectric power and for the development of the Quoddy project in New Brunswick. I have asked the Minister of Trade and Commerce (Mr. Howe) to see if something could not be done to increase the sale of pit props in New Brunswick, which mean so much to the economy of our province and to the living conditions of our people. These are things that do concern us. But I wish to assure hon. members that we are not concerned, nor do we intend to be concerned, only with those things which are of particular interest to our section of the country.

Last night, in the few minutes I was speaking, I mentioned the fact that we are a little envious, perhaps, of the prospective prosperity—yes, and the real prosperity—of the people of Alberta and other parts of western Canada. But while we are envious we are pleased indeed that in Canada there is this great development. We believe that by developing the resources of our country, no matter what part of Canada we may come from, in that development the best interests of our country in general are being served.

This afternoon the hon. member for Greenwood (Mr. Macdonnell), in his very excellent address on the budget, mentioned an advertisement, which he had seen in one of the papers, regarding Alberta oil. I too had seen it, and I believe it expresses the ideas regarding this development which are uppermost in the minds of many people. The advertisement says:

> Alberta oil has changed his future.

By "his future" they mean the future of a young boy pictured in the advertisement. Then it goes on to say:

> The boy does not know it yet. Many a grown-up does not realize it, but the new oil fields of Alberta brighten Canada's future.

There is no question about that, in western Canada, in central Canada, the whole of Canada.

> Western oil is saving $100 million scarce United States dollars this year—dollars we do not have to pay out for oil imports. This means money to buy other imports we need, things which cannot be grown or made in Canada. Next year Alberta oil should save $145 million United States dollars.

Those are reasons, as I said a moment ago, that we, no matter from what part of Canada we may come, make no apology for being interested in the oil fields of Alberta, or what happens to those oil fields, or those gas fields. Then—

> The search for oil is making a big, new market in Alberta . . . In the prairies, petroleum product prices are lower than they would have been if oil had not been found. Prairie consumers saved more than $30 million last year. Anything that helps prairie prosperity helps all Canada.

That is good advertising—"anything that helps prairie prosperity helps all Canada". I am sure we all agree with that sentiment.

> Oil is important to us all. More oil means a higher standard of living.

Then it goes on to say:

> The search for oil is unending, a costly business, often disappointing; but the job is pressing forward.

Prairie Transmission Lines

I was very much interested to learn that while a few years ago Canada produced less than a tenth of the oil she used, today, with the development of the western oil fields, there has been a great advance in that percentage.

I believe, as I said a moment ago, that that advertisement speaks volumes for the future prosperity of that great section of the Dominion of Canada. We in New Brunswick have had an oil field for many years. This may be news to a great many hon. members. True, it was very small; but it has been producing oil for the last 35 to 40 years.

We have also had gas in New Brunswick. The city of Moncton has been developed on gas which it obtained from this gas field located not far from Moncton. Cheap fuel, cheap gas, has meant much to the development of that city. I am very sorry to say that at the present time the gas field in Albert county of New Brunswick is becoming depleted, and the people in the city of Moncton and surrounding area are very much concerned in that respect. But, as this advertisement states, the search for oil is an unending and a costly business, often disappointing. This has proved to be so in our own province, and also in Prince Edward Island and Nova Scotia. The Shell Oil Company for the last two or three years has been boring holes throughout the maritime provinces, hoping to discover more oil along the Atlantic coast. It has been costly, and very disappointing. I am sorry to say that that company has now given up its search for oil in the maritime provinces.

Mr. Smith (Calgary West): Spent over $2 million trying.

Mr. Brooks: Yes, they spent over $2 million, I have not the slightest doubt. They employed large crews of men for a long time.

Last year there was in the house a discussion respecting an oil pipe line. I took no part in that discussion because, for one thing, at that time I felt that it was a matter of greater concern to the western part of Canada, and to Ontario. There were a good many differences of opinion. I listened to the arguments on both sides; many convincing arguments were offered as to why the oil pipe line should go to Fort William, the home of the hon. member for Fort William (Mr. McIvor). At the same time there were quite logical arguments in favour of its going down to Superior, at the end of lake Superior. But oil is different from gas. Oil transported by pipe line can later on be shipped out in tank cars or oil tankers to other parts of the country. Gas, on the other hand, is different in that respect. Once a gas pipe line is built, the gas cannot be shipped in any other way. If the pipe line goes through the United States it means that the people of that country are the ones who will reap the benefit of having that gas. If it goes through Canada it will mean that the people of Canada or, in this instance, those of British Columbia, will benefit.

Pipe lines are today a means of transportation. We have had many different kinds of transportation in our country. First we had our rivers and canals and railways. Pipe lines are something new. Today, however, they are becoming a means of transportation. The people who pioneered in this country endeavoured to build our railways not to the north and south, so that the products of this country would be moving to the south, but rather east and west. They had vision, and built our railways east and west, so that our country would be bound together, and so that we would be a united people.

We have had some experience with building a railway to the south. The Grand Trunk was built from Montreal down to Portland, and other seaports in the state of Maine. We in New Brunswick, and the people of Nova Scotia, know what that meant to the economy of our provinces. The city of Saint John lost millions of dollars in freight charges which otherwise she would have had, if the line had not been built to Portland and other Atlantic ports of the United States. Employment was lost for thousands of longshoremen. One reason why Saint John is not larger today is that in the early days a railroad was built which siphoned off business from Quebec and other parts of Canada down into Maine and the other New England states, business that should have come to Halifax and Saint John. The same thing will happen in connection with these pipe lines if a natural resource like gas and oil is shipped into the United States rather than through Canada. The people of Canada will be the ones who will suffer.

We in the maritimes have a special interest in Saskatchewan and Alberta. Nova Scotia and New Brunswick, along with Quebec and Ontario, were the four partners in confederation in 1867. There were great open spaces in western Canada and in the regions north of Quebec and Ontario. Deals were made, one with the Hudson's Bay Company, by which this public domain was taken over by the Dominion of Canada. We in the maritime provinces helped to pay for that territory, part of which afterwards became Alberta and Saskatchewan. Other parts were added to Ontario and Quebec.

The unfortunate part is that we were the only section of Canada that did not benefit from the development that took place. Circumscribed as we were by water, it was impossible for us to expand. Great mineral resources were given to the province of Quebec when its boundaries were extended some years ago, and the same is true of Ontario. Great sections in the north were added to Saskatchewan and Alberta and it is from these sections that millions of dollars' worth of oil are being produced. As I said before, the provinces of New Brunswick and Nova Scotia helped to purchase that territory years ago and therefore we have an interest in the development that is taking place.

At times we hear what almost amounts to sneers at the suggestion of a "Canada first" policy. If we were in the United States I am sure we would favour a "United States first" policy. If we were in any other country in the world we would be ready to favour a policy that was first for that particular country. In the early days when there were few people in the country we depended upon our natural resources. We sold our furs and raw materials and our people lived from the returns of those sales. But as the country developed it was expected that there would be a similar development in manufacturing. We hoped that the raw materials would be manufactured here and that the dream of the fathers of confederation would be realized, that by 1940 we would have 40 million people in this country. Such is not the case and we may ask ourselves: Why?

It is well known that the population of any country which exports its raw materials does not grow. The people follow the raw materials. This has been true of the maritime provinces. We have been sending our raw materials to the United States and our people have followed by thousands. What is true of the maritime provinces is true of other parts of Canada. If you read the history of the United States before she got her independence you will find that the New England colonies got almost all their manufactured goods from Great Britain. One reason why the United States sought independence was that they wanted to manufacture in their own country. They realized that they could never build up their country as long as they bought their manufactured goods from other parts of the world, particularly from England.

The southern states have always been considered the backward states. When you ask a southerner why it is that that part of the United States has not developed as the northern part has, he will reply, "We sold our raw cotton and other raw materials to the north; our people left and we became simply hewers of wood and pickers of cotton". The great development occurred in the northern part of the country, but today the situation is being changed. Canada has suffered from the same condition of affairs. When we mention a policy of Canada first we mean that the raw materials which we have in abundance and which are today being shipped out to the value of millions of dollars should be manufactured in this country so that we can keep our people here.

The other day the Minister of Trade and Commerce (Mr. Howe) said that we had great trade with the United States. That is true because it is only natural that two nations side by side should be great traders. But what do we find when we analyse our trade with the United States? We find that the bulk of what we ship to the United States is made up of what might be called raw materials or semi-processed goods that could have been manufactured in this country. What are the United States sending to us? Practically one hundred per cent of the imports from the United States are made up of goods that have been manufactured and perfected in that country. That is why the United States is the great, rich country she is today. As I said a moment ago, the people follow the raw materials. This has been the history of every country in the world.

As long as we persist in letting some other country take our raw materials and manufacture them, so long will the people of this country leave and go where the manufacturing industries are located. No part of Canada has suffered more in this connection than the maritime provinces. Last night the hon. member for Danforth (Mr. Harris) said that there are more Canadians in the United States than there are in Canada. There are more maritimers in and around the New England states and Boston than there are in the maritime provinces. There is hardly a family in those three provinces that has not sons and daughters or relatives in the manufacturing towns and cities of those states. We have no objection to the United States whose people are kindly, but our objective should be the same as theirs—not to build up a foreign country, but to build up our own country with our own industry and resources.

We hope that the time will come when the boys and girls of the maritimes will be able to stay in those provinces. If that is not possible I think the great majority of the people of those provinces would sooner see our boys and girls go to some other part of Canada, to Alberta and British Columbia if you will, than to the United States or some foreign country to help to build it up.

We of the maritimes are not boastful, but I think anyone who reads the history of the Dominion of Canada will realize that we have made a great contribution. I could mention to my good friends from the province of British Columbia—and I do so simply to show the type of men we have been losing from our province—that we have given two premiers to the province of British Columbia. Two British Columbia members of the Senate came originally from my own constituency in our province. The chief justice of the province of British Columbia is a native of New Brunswick. When they wanted a man to look after the great forests of British Columbia they chose as their first chief forester a man from New Brunswick. The present forester is also a man from the province of New Brunswick. As I said a moment ago, we do not wish to boast about these things.

Mr. Sinnott: What about the pipe lines?

Mr. Brooks: I can tell my friend from the province of Manitoba about the men we have sent there. I think his ancestors came from the province of New Brunswick, and we are proud of that.

Mr. Sinnott: You are wrong there.

Mr. Brooks: The first lieutenant-governor of the province of Alberta, Governor Bulyea, came from the little village where I was born. If there is anyone here from Alberta I think he will remember that name. I could mention men like Bonar Law, Beaverbrook, and many others, but I will not take the time of the house to do so. The point I wish to make—

An hon. Member: And Mr. Bennett.

Mr. Brooks: Mr. Bennett came from the province of New Brunswick and we are very proud of the fact. We have just reason to be because I do not think there has ever been a man in Canada with greater ability than R. B. Bennett. There are many small men who cannot understand big men and who are anxious and willing to cast sneers at men whose boots they are not fit to lace.

Mr. Sinnott: Why didn't he stay here?

Mr. Brooks: You are one of them. As I said a moment ago, it is not my intention to mention any more names. It would take me too long, but we are proud of these men. We are anxious for the development of Canada. We are concerned about the development of our respective provinces, but if our own particular provinces cannot be developed and we must lose young men such as I have mentioned we want these young men to go to some other part of Canada to help to build up this great country, and not to go by the thousand to the United States as they have done under policies which I believe are not in the best interests of Canada.

Mr. Sinnott: They left because of Mr. Bennett.

Mr. McGregor: Oh, go to sleep.

Mr. Speaker: Order.

Mr. Brooks: I do not think it worth while to pay any attention to that hon. gentleman. I think, Mr. Speaker, that through these pipe lines we have a chance to develop a certain part of the Dominion of Canada. I believe that by putting these pipe lines through Canadian territory we shall do more to develop the western part of Canada. We are talking about unemployment. It will take many thousands of men to build a pipe line in western Canada from Alberta through to the coast. Would it not be better for Canadian men to receive employment than to provide employment for thousands of men in the states of Washington and Oregon? When engineers and technical experts are needed, would it not be better to employ Canadian men? When they need all the necessary materials—and they will need millions of dollars' worth—would it not be better if the materials were bought and used in the Dominion of Canada than in the United States? It is not my intention to take any more time. I think we have an opportunity to do a great job for our own country, and I hope we shall have vision enough to do it.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I rise again to correct what I think is a misconception in the minds of some hon. members in the opposition.

Mr. McGregor: It cannot be done.

Mr. McIvor: I thank the hon. member for even using my name, but if he or anybody else has the idea that I supported the building of the pipe line to Superior then they are absolutely wrong.

Mr. Green: You did not oppose it.

Mr. Speaker: Order.

Mr. McIvor: You wait until I am through. At the beginning of the last session I was just like the young man who was going to get married and who said, "I will be boss or I will know the reason why." A few days after the wedding ceremony his companions met him and they said, "How is it?" He said, "I know the reason why."

An hon. Member: What has that got to do with pipe lines?

Mr. McIvor: There is no one who would be more interested in having a pipe line constructed to Fort William than the local member. The Port Arthur representatives on the

joint committee, who were political opponents of the Minister of Trade and Commerce (Mr. Howe), went along for a while until one alderman rose in council and stated the case. At the next meeting of the committee the Port Arthur representatives did not turn up.

Mr. McGregor: Changed their minds.

Mr. McIvor: As I said, I came down here to find out whether the pipe line would go to Fort William, and if not, I wanted to know the reason why.

Mr. MacInnis: You knew the reason why.

Mr. McIvor: There is not one of you more interested in having it go to Fort William than I am, but we were taking a lot for granted. We had no promise of any smelter or any line to go to Fort William. What I found out—and I think I went to the right place to find it out, as I said last night—was that the extra cost to go through that rocky, swampy district would be $10 million with an annual expense of $500,000.

Mr. Cardiff: They misled you.

Mr. McIvor: I was told that definitely, and I expect that the Minister of Trade and Commerce was told that if the pipe line had to go to the lakehead it would not be built.

Mr. McGregor: You have been gypped.

Mr. McIvor: I do not believe I am the type of small-town thinker who would say that if we cannot get it we will not let anybody else have it. The next best thing we got was the big tank which is pretty well on its way, and the oil will be shipped from Superior to Sarnia until Sarnia has enough. I heard the hon. member for Rosetown-Biggar (Mr. Coldwell) make a dandy speech today. He told us that we should utilize the resources of our country and that there should be production. What do we want? We want our lands, minerals, gas and oil developed for Canada first.

Some hon. Members: Hear, hear.

Mr. Green: Why didn't you say so last year?

Mr. McIvor: I am a member of the committee. Do you think the committee will put it over on me?

Mr. Green: Why didn't you say so last year?

Mr. McIvor: Do you think the committee will tell me what I am going to do? We have two companies that are willing to spend $100 million to develop our resources, but we want to talk out the measures. The trouble with the opposition is that they will not trust a committee of their house.

Mr. Smith (Calgary West): Why should we with a Grit majority on it like you?

Mr. McIvor: I like to hear the hon. member for Calgary West (Mr. Smith). He is a kind of decent fellow. He used to try to play football, as I did. Sometimes he would score and sometimes he would not, depending upon the opposition. I think the opposition to this bill should cease now in order that we might have the vote.

Mr. O. L. Jones (Yale): Mr. Speaker, I rise tonight to correct one or two statements that have been made, and also to reply to the hon. gentleman who has just spoken. He believes the answer to our problem lies in the hands of a committee, that all we have to do is turn it over to a committee. I should like to ask him who will eventually control the route of this pipe line. That is something I and many other hon. members would like to know. One day we had a definite, distinct statement by the Minister of Trade and Commerce (Mr. Howe) that the route is to go through Canada. Therefore we might presume that he knows about it, and in some way has control of that route. Later we were told in the house that the matter of the route must be discussed by the committee. We checked up on that and found the committee would have no power to do more than merely discuss the question of the route. Then we were told that the people who eventually would decide on the route were the board of transport commissioners; that when this application went before that board it would be accompanied by a map, on which would be delineated the route to be followed. I presume the people who made that statement were correct; but in looking over the history of our natural resources and the development that has taken place already in connection with pipe lines I find that both Saskatchewan and Alberta—and quite rightly so, from their point of view—claim they have the sole right to determine where their gas shall go and how it shall go. So if the hon. member for Fort William (Mr. McIvor) is so certain this committee can remedy the fault I would like him to prove it, because I do not see how that statement can be correct.

I believe the dominion parliament is the body that should have that control. However, we have turned it over to an appointed body who, while presumably the servants of parliament, cannot be told what to do. We cannot dictate to them; we must take their findings and hope they will work for the benefit of Canada. In other words we are discussing a matter over which we have no control or direction. We cannot change it; it is not of our making. It is not even of the government's making, and we have no choice. It is not even a matter of take it or leave it; we have to take it. We do not have the

choice that the ordinary man is expected to have when he is asked to decide on anything. We have delegated our authority to others.

Previous speakers have mentioned the intense interest of British Columbia in this pipe-line bill. I can assure hon. members that in speaking to this matter I am doing so in behalf of ninety per cent of the people of that province. They are conscious of the need for this development; they are anxious to have it go through their own province. Municipal councils, boards of trade, the Canadian Legion, trade unions and all the other organized groups of that province are pleading with their members of parliament to see that this pipe line is routed through our province.

Before going further I should like to make a correction. Speaking in this house on the 14th of March I made the statement that no Canadian university offers a course in petroleum engineering. I made that statement in good faith, on the word of a United States petroleum engineer. Since then I have been corrected by someone from Alberta who is an authority on this matter, and who has drawn to my attention the fact that two years ago the university of Alberta established such a course. So far they have had no graduates, but they expect some early in the present year. I should like to compliment the university of Alberta on what they have done, and in doing so I should like to read a short quotation:

> For the first time in the forty-five year history of Alberta as a province, a home-grown crop of petroleum engineers will be turned out into the oil industry employment market in the spring. Keeping pace with the fastest growing industry in Canada, the university of Alberta two years ago created a full degree course in petroleum engineering, the first in Canada. A group of about sixteen students will be the "charter" graduates, the class of '50.
>
> The petroleum engineering course is the result of a couple of years of patient and painstaking research and study of curricula elsewhere in close consultation with leading representatives of all branches of the Alberta oil industry.

Then this article goes on to give reasons why they started this course. The background is that for a number of years post-graduate students from the university of Alberta who wanted to get into the oil business had been going to American universities for their post-graduate courses and, as the previous speaker said, staying there.

> There were inquiries for special courses at the home university, but the university authorities did not feel that the need was sufficient for a complete petroleum course until the post-war boom in oil exploration in Alberta.
>
> Even before the Leduc discovery, the association of professional engineers of Alberta made strong representations to the Alberta government to have a course instituted. Developments during the academic year 1946-47 made the urgency of the need apparent. The board of governors decided to establish a curriculum. Dean R. M. Hardy of the engineering faculty was authorized to appoint a committee of four to study and report on what was needed.

I merely refer to that in fairness to one university that is conscious of the vast wealth that is available from this great resource. At page 792 of *Hansard* the Minister of Trade and Commerce, replying to the hon. member for Yorkton (Mr. Stewart), said he had no knowledge of any representations from the province of Saskatchewan as far as the export of oil and gas from Alberta was concerned. I should like to point out that the first application for a gas pipe line charter from Alberta was made by Western Pipe Lines in 1948. At that time the Saskatchewan government was indirectly responsible for drawing to the attention of the house the implications of that application. In its brief to the Senate committee on transport it made the proposal that control of the lines should be given to the board of transport commissioners, and subsequently that proposal was acted upon by the federal government. That brief was printed two or three years ago, though the minister may not be aware of it. I should like to quote from it, because to my mind it is excellently prepared and in keeping with what we are trying to do today:

> Few questions are of more fundamental importance to the economic life of any region than its source of heat, light and power. For this reason the government of Saskatchewan is in favour of a pipe line designed to carry natural gas across the provinces of Alberta, Saskatchewan and Manitoba. By providing more abundant and less costly energy and fuel, the natural gas reserves of western Canada, properly developed and utilized, can prove to be a great boon to the people of the prairies.

Then it goes on to deal in detail with the Saskatchewan power commission, who presumably would take over control of the route and service to the various towns within the province.

There is one part of the submission that I should like to place on the record, seeing that the minister is not aware of it. It is this:

> Before dealing with the specific problems to which the bill gives rise, it should be indicated that the government of Saskatchewan regards the lack of a dominion statute regulating, in a general way, the activities of natural gas pipe lines, as a serious impediment to any measure of effective control of the proposed company, in the public interest. It is difficult to import adequate principles of public control into a private bill; it is practically impossible to establish machinery capable of effecting such control in a private bill. In the opinion of the Saskatchewan government, a comprehensive dominion statute designed to regulate the activities of a public utility of the nature contemplated, is necessary if abuses are to be avoided. The United States has found federal control of interstate transportation organizations such as this to be necessary, if exploitation both of producers and consumers is to be avoided.

While there exists a sufficiently wide field for provincial control over pipe line companies operating wholly within a single province, effective control over an interprovincial pipe line is impossible without dominion participation. Conversely, the dominion acting alone lacks authority to deal effectively with the operations of such organizations. Joint legislation of a general character by the dominion and the provinces concerned, however, is capable of effecting the measures of control desirable and necessary in the public interest. The government of Saskatchewan, therefore, submits that, concurrently with the enactment of this bill, a statute, modelled upon corresponding provincial statutes and upon The Natural Gas Act of the United States, should be prepared by the dominion government and presented to parliament. At the same time, it states its own willingness to co-operate with any appropriate dominion agency for the purpose of effecting a fair and reasonable policy of direction and control in the public interest.

Rather than not having made a statement, Mr. Speaker, I claim that Saskatchewan gave an excellent lead and gave the answer to what we are seeking today, a joint control by the province and the dominion government; not by a board of transport, not by a committee, not by charters to any given company for a given route but a joint control by the province concerned and the dominion government, which we have not got and which apparently we are not seeking.

There is another thing I should like to mention also. The hon. member for Skeena (Mr. Applewhaite) the other night said that nothing could be a greater—

Mr. Applewhaite: On a point of order, Mr. Speaker, the hon. member for Skeena has not spoken in this debate and therefore I do not think he can be quoted.

Mr. Bryce: He did not say you spoke in this debate.

Mr. Jones: I did not say that the hon. member spoke in this debate, but he spoke on a matter that I mentioned before in another debate.

Mr. Applewhaite: On the point of order, Mr. Speaker, if I read citation 246 correctly, one of the things which an hon. member cannot do in a debate is to refer to another debate of the same session on any question not then under discussion.

Some hon. Members: Oh, no.

Mr. Ferguson: Turn over the page and it will be different.

Mr. Applewhaite: This bill was not under discussion when the hon. member for Skeena spoke the other night.

Mr. Speaker: Probably the hon. member for Yale will not refer to the debate in this session on another subject.

Mr. Jones: I will not, Mr. Speaker; but I should like to mention that a thought occurred, not in the last debate but in this, that small communities would not get cheap gas. It is true that these communities are small. I am not questioning that fact. But they are doomed to remain small if we cannot give them some power, and some chance to grow big. All the towns that are now large at one time were small. I am concerned that these towns cease to be small, and that they be given a break so that they may become large. That is the only answer I have to any comment that small towns cannot consume natural gas.

We should actually concentrate on and develop the small towns in every possible way. I believe we should build our industries in the smaller towns in the interior of British Columbia rather than at the coast, particularly if there is danger of a war or if war should break out. They are too vulnerable at the coast and they would be far safer and far better protected in the interior of British Columbia. So would the population that would gather round these industries be far better protected in the interior than at the coast.

I cannot agree with any reasoning that small towns should be cut out and that large towns only justify the existence of the natural gas route. That would mean but one route through the United States. They have the large cities, whereas the number of large cities in British Columbia is limited. Possibly you could mention New Westminster, Vancouver and Victoria as centres with over 20,000 population. Beyond that, we have not many. But even so, at one time those were small towns. Even Vancouver, not many generations ago, was known as gas town, a tiny town. If the port had not been developed, if ships had not come there, if the C.P.R. had not had its terminal there, gas town would still be gas town and nothing else. I want to impress upon the members of the house the fact that we are asking them to exercise a little vision in the development of this project. Look at those little towns scattered throughout our province, with a future as great big towns such as gas town has in the modern Vancouver.

I should also like to mention one of the communities or areas in my particular riding that would benefit greatly by having this potential power or cheap power. That is the Princeton area where the mineralization is extremely high. They have practically all known minerals in abundance, such as gold, copper, silver, coal, platinum; in fact, everything. The whole area is highly mineralized. But they lack this cheap power and they lack

it badly. Industries could be developed in connection with these metals, base metals, coal tars, dyes and so on, in that particular area quite a distance from the coast and accessible by rail to Vancouver.

One hon. member mentioned the cost to the consumer, and emphasized the fact that the extra cost of the pipe line would mean a great deal more to the consumer if it went by one route rather than another. But there is no argument there at all. To me it is a lot of hooey, because it is not a question of cost to the consumer. It is a question whether the person is going to be a consumer or not. As to the people in the interior of British Columbia, it is not a question of whether they are going to pay a dollar for a certain quantity of gas or whether they are going to pay ten dollars. The question is whether they are going to have the gas or not. That is the question we are concerned about, not the price.

Some hon. Members: Nine o'clock.

Mr. Jones: May I move the adjournment of the debate.

Mr. Speaker: It being nine o'clock, the house will resume the business that was interrupted at six o'clock.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed consideration of the motion of Hon. Douglas Abbott (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Mr. Jean Lesage (Montmagny-L'Islet): When I congratulate the Minister of Finance, Mr. Speaker, I am in accord with the three spokesmen from the other parties whom we heard this afternoon. When I congratulate him on his budget, I have the feeling that I am still with that group because, after all, there was not much criticism in their remarks. Since it looks to me as though there is not to be much discussion on the budget itself, I wish to take advantage of the opportunity to refer to some remarks that have been made by my good friend the hon. member for Moose Jaw (Mr. Thatcher) on the income tax paid by the Quebec farmers. On March 16—

Mr. Knowles: I rise, Mr. Speaker, to the same point of order that was raised a moment ago by the hon. member for Skeena (Mr. Applewhaite). Perhaps it is better to raise it before the member proceeds to do what is not permitted. The hon. member for Montmagny-L'Islet (Mr. Lesage) is about to refer to a speech made by the hon. member for Moose Jaw in the course of the debate on the address in reply to the speech from the throne.

Mr. Lesage: Yes. And I submit very respectfully, Mr. Speaker, that I am right in doing so because there is a difference. The debate on the speech from the throne is not a debate on a given subject. It is not my fault if the hon. member for Moose Jaw chose to speak about income tax on the debate on the speech from the throne, when he should have talked about it on the budget debate. I believe I am right in talking about income tax and in referring to anything that has been said in this house when the question that was discussed in the previous debate was not exactly and particularly income tax.

Mr. Knowles: Further on the point of order, there is no doubt as to the hon. member's right to talk about income tax matters. My point is that he has no right to pick up the remarks made in another debate by the hon. member for Moose Jaw and comment on them now. His argument that the hon. member for Moose Jaw made the remarks that he did in a previous debate, and that this is his first opportunity to answer them, is not valid because he could have got in on that debate. Citation 246 (a), which the hon. member for Skeena (Mr. Applewhaite) mentioned a few minutes ago, is very clear. It reads:

> Besides the prohibitions contained in standing order 41, it has been sanctioned by usage both in England and in Canada, that a member, while speaking, must not:
>
> (a) refer to any debate of the same session on any question not then under discussion.

Mr. Speaker: I might say that I have always had some difficulty in interpreting this reference. As has been stated several times tonight, the reference is to the effect that a member should not refer to any debate of the same session on any question not then under discussion. The difficulty I have is in deciding whether it is a question of income tax which was under discussion or the speech from the throne. The rule has not been strictly interpreted in the past. I have noticed from time to time hon. members refer to debates on the same subject. The hon. member who now has the floor is debating the income tax. I must decide whether he can refer to the statement that was made on the income tax during this session. It is a rather difficult question. At the moment I can say that no injustice is being done to the hon. member who discussed the income tax. If I allowed the hon. member for Montmagny-L'Islet to continue, I would allow him to refer only to the remarks that were made regarding the income tax.

Mr. MacInnis: Mr. Speaker, I think we had an instance this evening. A short time ago we were discussing a private bill. We have been discussing two similar bills, both of them dealing with exactly the same matter. Tonight the hon. member for Yale wanted to refer to the debate on one of these bills, not the bill we were discussing tonight, but the bill we were discussing on another occasion. He was ruled out of order on the strength of this very citation that the hon. member for Winnipeg North Centre has cited.

Mr. Sinnott: The hon. member has not yet been ruled out of order.

Mr. MacInnis: The hon. member for Yale was ruled out of order.

Mr. Sinnott: No.

Mr. MacInnis: I wish the hon. member for Springfield would get some sense into his head because there is not enough in it to make sufficient noise to be heard over here. May I say that this citation is quite explicit. It says that an hon. member may not refer to any debate of the same session on any question not then under discussion. If an hon. member can be ruled out of order for referring to a debate so similar as the debate on the two pipe-lines bills, surely there is no other question on which an hon. member can be allowed to speak and refer to a debate that has already taken place during this session. I suggest, Your Honour, that you consider your ruling very carefully before you make it, because if you do not I would say that an injustice has been done to the hon. member for Yale.

Mr. Lesage: Mr. Speaker, —

Mr. Speaker: Order. Is this a point of order?

Mr. Lesage: Yes. May I be permitted to point out that if my hon. friends were right it would mean that when a specific question has been debated on the address in reply to the speech from the throne, when a discussion on that same specific subject comes to the house nobody can refer to what the Prime Minister, for instance, has said on the matter. I believe it is useful to refer to what the Prime Minister and the Leader of the Opposition have said in the debate on the address in reply to the speech from the throne on any matter which is afterwards discussed on a particular bill.

Mr. MacInnis: That is not the point.

Mr. Speaker: The question raised by the hon. member for Vancouver East (Mr. MacInnis) was in connection with a private bill. I think private bills are in a different category from public bills. It was contended that what an hon. member said on one private bill should not be referred to by another hon. member on another private bill.

When that question was raised a few moments ago in the house we were discussing a private bill. I merely suggested to the hon. member for Yale that he do not refer to what was said by the hon. member for Skeena because the hon. member for Skeena took exception to it. At the present time we are discussing the budget. I think the purpose of citation 246 (a) is to prevent the revival of debates which have been closed. Section 245 of Beauchesne's third edition reads in part as follows:

> It is a wholesome restraint upon members that they cannot revive a debate already concluded.

If I thought the hon. member for Montmagny-L'Islet was reviving a debate which had been concluded I would not allow him to continue his remarks. But I think we should give a broad interpretation to citation 246 (a). If the hon. member is speaking on a subject, I think he should be allowed to refer to that subject if an hon. member has referred to it during the present session. The hon. member who is raising the question must not by so doing revive another debate. I do not think that the hon. member for Montmagny-L'Islet, now speaking on the income tax and referring to what some other hon. member said on the income tax on the address in reply to the speech from the throne, is reviving a debate. I am inclined to think that I should allow him to continue.

Mr. Coldwell: Mr. Speaker, is not the decision that the hon. member may discuss income tax. He may talk about taxes paid by the farmers of Quebec and the farmers of Saskatchewan; but as long as he does not discuss the remarks of an hon. member made in a previous debate he is perfectly in order. Is not that the situation? But if he refers specifically to remarks of an hon. member in a previous debate, and quotes him specifically, then he transgresses the rule. I think he could discuss the question without transgressing the rules.

Mr. Speaker: I doubt if the hon. member is transgressing the rules, so long as he is speaking on the same subject.

Mr. Coldwell: So long as he does not refer to what the other member said.

Mr. Speaker: Should he not be allowed to refer to what another member said on that subject?

Mr. Coldwell: I think the rule covers—

Mr. Lesage: On the point of order, I shall not refer to what the hon. member for Moose

Jaw (Mr. Thatcher) said, but I shall refer to the question he put on the order paper, and the return he obtained.

Mr. Coldwell: That is all right.

Mr. Lesage: The questions put by the hon. member for Moose Jaw were so put that they implied that the Quebec farmers were not paying income tax, and that Saskatchewan farmers were discriminated against by the Department of National Revenue because they were prosecuted by the income tax branch.

I do not take exception to the figures which were mentioned in the return, and I accept them as accurate. But it is to the interpretation that one may give to those figures that we must object. Naturally, just reading the figures one would be tempted to jump to conclusions, as quickly as some have done. But it is clear that those who do jump to conclusions so quickly do not go to the bottom of the question, and do not ask themselves the reason why such a situation exists. It has always been said that comparisons are odious. Such is the case when one tries to compare the condition of the farmers of Quebec with that of Saskatchewan and the other western provinces.

Farms in Saskatchewan are cultivated on a highly commercialized or even in an industrialized way. They are very large farms, where wheat and other grains are grown, and then marketed through the pool agencies. In Saskatchewan farming is an industry: In Quebec it is a way of life. Farmers are engaged in mixed farming. Farms are relatively small, and their character is that of family organizations.

Quebec farmers have practically no employees. They work with their sons, and do not pay them wages. They keep whatever they give to them as "in trust", to buy them new farms upon which they may be established. Our farmers lead very frugal lives. Their profits and their cash income are very limited; and if they have good-looking farms it is because they have improved them with their own hands, and with the help of their families.

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

Mr. Lesage: Yes.

Mr. Coldwell: Have you been in Saskatchewan and seen where farmers have homesteaded, and built up their family farms?

Mr. Lesage: Yes, I have. But I shall come to figures which will show, for instance, that in 1941 there were 121,000 farmers in Saskatchewan, and 62,000 farm labourers. That is to say, there was one farm labourer for every two farmers. In Quebec there are practically no farm labourers—practically none. In Quebec, as we shall see later, the average population per family on a farm is 5·3, while the average population per family in Saskatchewan is 3·7. I believe that is a complete answer to my hon. friend's interruption.

But let us come back to the Quebec farmer. The farmer of Quebec, as everyone knows, works from four o'clock in the morning, or perhaps five o'clock, until late at night, day in and day out. They have very few mechanized units and in some cases none. Every day they must look after their livestock. I do not believe I am exaggerating when I say —and if you have lived with them you know it is true—that if success is to be achieved it must be as the result of the co-operative efforts of the family unit.

Let us come back to the figures obtained by the hon. member for Moose Jaw, in his return. Those figures, I suggest, show that only a small number of Quebec farmers paid income tax in 1947. I believe the figure is 540.

An hon. Member: Very successful.

Mr. Lesage: Wait until you hear the figures, and then you will know why more did not pay.

I repeat, one must know the conditions of the farmers in Quebec before intimating that practically all of them are trying to escape, or are in fact escaping from the provisions of the income tax law, or that they are receiving more favourable treatment from the taxing authorities.

Now, listen to the figures, because they speak for themselves: The total number of farmers in Quebec in 1941 stood at 131,406. This number, according to the information I gathered from the provincial department of agriculture in Quebec, has increased. One hon. member has said that the number of farmers in Quebec in 1947 was 155,000. I do not know, and I suggest no one knows, the exact figure. But I believe that that figure is a little high. It will be noticed, however, as I go along, that for the purposes of my calculation the higher the figure the more it will serve my case. So, for the sake of argument, let us say that the number in 1947 was approximately 140,000. Now, the net farm income of the province of Quebec in 1947, according to the dominion bureau of statistics, was $190,300,000. If one divides that income by the number of farmers, taking the figure at approximately 140,000, one will find that the average net income in Quebec for the farmer, in 1947, was $1,350.

I do not wish to have anyone believe that I imply that Quebec farmers live in a state of poverty. One must take into consideration the fact that in Quebec the farm is a family enterprise, and that Quebec farmers work steadily and maintain their farms by their own personal work, and by the work of their families.

Their cash income is very limited; I repeat that. One may refer to their prosperous dairy industry. Well, that is all very well for the western farmer; but one should hear the complaints made by eastern farmers—not only those of Quebec, but those of eastern Ontario—about the price of feed grains from the west.

I am serious in saying that if the federal government had not paid a subsidy on transportation costs, not only would those eastern farmers obtain no profit from their dairy industry, but they would spend on it profits coming from other sources. The work done by the Quebec farmer engaged in the dairy industry provides no profit, but gives him an hourly wage that no labourer would accept. This is all due to the cost of production, in which one of the main items is the very high price of feed grains which come, alas! for the Quebec farmer, at a high cost, but which give to the western farmer some of the profits the eastern farmer should expect from his dairy farm.

Let us return to the figures I have before me. I said the average net income of the Quebec farmer was $1,350 per year. In 1947 the income tax exemption for a married couple was $1,500. For a married man with three children of family allowance age the exemption was $1,800. For a man with three children, one over sixteen years and two of family allowance age, the exemption was $2,000. I repeat that the average rural family in Quebec is 5·3 persons. How could anyone expect the Quebec farmer to be subject to income tax in 1947 when his average exemption was around and above $2,000 with an average net income of about $1,350? With the figures I have given I think it will be agreed that the great majority of Quebec farmers do not have to file income tax returns because it is taken for granted, and rightly so, that they are not liable to income tax.

It should not be said that the Quebec farmers have not been investigated by the Department of National Revenue. The contrary is the case. The inspectors of the department visited the secretary-treasurers of the municipalities of Quebec and examined the books which showed the value of the farms in the municipalities. They inquired about the value of the cattle and the farms and when those values were a certain figure the farmers were asked to file returns. They did so with very few exceptions. A great proportion of the farmers who did file returns were able to show quite easily that they were not subject to income tax. When it became evident to the inspector of the department that these farmers with their small income and numerous dependents were not subject to the tax their names were taken off the tax roll. That was the only sensible thing to do especially when one considers that since 1946 exemptions have been increased three times.

I am not saying that the Quebec farmer lives in a state of poverty, but I repeat that he lives a frugal life. He is richer in courage than in cash income. I would be only too glad, and I am sure the Quebec farmers would be quite satisfied, if their income were raised to such an extent that practically all had to pay an income tax. If some hon. members of this house knew what I know of their condition they would be the last ones to contend that the farmers of Quebec have received special treatment in this regard.

Without making any undue comparison, let me turn now to the Saskatchewan farmer. As I have said already, the farms in Saskatchewan are highly commercialized and industrialized.

An hon. Member: Not all of them.

Mr. Lesage: No, but a good part of them are mechanized anyway. The farms are large and mostly it is a one-crop operation.

An hon. Member: Not all.

Mr. Lesage: Not all, but a great part. In good years the Saskatchewan farmers may expect a high cash income from their operations. In 1941 the number of farmers and stock raisers in Saskatchewan was 121,194. The prairies census of 1946 showed a reduction in that figure down to 114,899. Let us agree that in 1947 the number of farmers in Saskatchewan was around 115,000. The net farm income for that year in Saskatchewan was $260 million, which would give an average of approximately $2,300 per farmer. Remember the average income of the Quebec farmer was $1,350. The basic income tax exemption for 1947 was $1,500, as I have said already. The average rural family in Saskatchewan was 3·7 persons. One can see that on the average, and even on the whole, the basic exemption for the Saskatchewan farmer was below $2,000, with an average net income of $2,300.

According to the figures quoted by the hon. member for Moose Jaw (Mr. Thatcher), and taken from the taxation statistics, 16,893 Saskatchewan farmers, out of the total of 115,000 which I have just mentioned, paid income tax in that year. With all due respect

to my hon. friend, may I say that it is no wonder the Department of National Revenue felt it its duty to carry on so many prosecutions in that province. My hon. friend, as we say in French, "a perdu une belle occasion de se taire", because he has taken on his own shoulders the responsibility of proving—with my help of course—first, that there is nothing extraordinary in the fact that only a few Quebec farmers had to pay income tax in 1947 and, secondly, that it was the duty of the Department of National Revenue to see that more Saskatchewan farmers paid their taxes.

Of course, I would not like the Saskatchewan farmers to believe that I have anything against them because the contrary is the fact. But since the hon. member for Moose Jaw has posed as their champion at the expense of the Quebec farmers, I thought it was time that the facts came to light. Long experience has taught people that it is both unwise and dangerous to defend oneself by accusing another. In attempting to do so the hon. member for Moose Jaw has rendered a poor service to those whom he meant, in good faith, to defend.

Mr. Bryce: Did the hon. member state at the beginning of his remarks that there were many farmers in Quebec who did not pay wages to their sons but gave them farms later on?

Mr. Lesage: No, that is not exactly what I said. It is a family enterprise in Quebec, and instead of paying wages to their sons many farmers will keep those wages in trust in order to buy them new farms on which to establish themselves.

Mr. Bryce: We have men in Manitoba who do that.

Mr. Lesage: I am glad it is done there.

Mr. Bryce: But at the same time they have to pay income tax on the value of the farm.

Mr. Lesage: Not if they pay their sons.

Mr. Bryce: They did not pay their sons but instead gave them farms and then they had to pay on the value of the farm.

Mr. Lesage: That is not the same thing.

Mr. Bryce: I can give my hon. friend concrete cases.

Mr. Lesage: That would be a gift tax.

Mr. Bryce: There is no gift about it if it is given in lieu of wages.

Mr. J. H. Ferguson (Simcoe North): Mr. Speaker, I rise to address the house on the budget which was recently delivered because I believe the budget speech is the principal message by the government to the people in all walks of life and to industry as to how they should govern themselves for the years to come. I take a little different view on the amount of the budget, $2,430 million, than other hon. members. I would have been a little more pleased if the government had been going to spend $3 billion. The surplus of some $20 million would not have bothered me so much if I did not look back on the 1930's when world-wide developments affected the ordinary course of business in such a way that a surplus of $20 million would soon be eaten up.

In this undeveloped tremendously rich country, with a cabinet selected from a party which has the largest percentage of members that the House of Commons has ever known, the cabinet ministers are supposed to head individual departments such as agriculture, finance, trade and commerce, health, railways and immigration. The cabinet meets months before the budget is actually read by the Minister of Finance for the information of the people of Canada as a whole. Upon the decision of the cabinet as to the path they are going to follow and the light they are going to hold before the people of Canada, the amount of the budget is settled.

In the budget speech—and I studied it very carefully—there was not the slightest suggestion that the government of Canada should spend more money than they are now and still have a reduction in taxation and the cost of living. The bureau of statistics of the Dominion of Canada, under the control of the cabinet ministers of the government, has a better knowledge than anybody of the figures concerning the development of the iron ore of Labrador and Quebec and the development of oil and natural gas in the province of Alberta. There is no group of people in Canada that should know the potentialities of the development of the country in the next twelve months better than the cabinet.

The budget speech is the green light for everybody. Manufacturers and industrialists all wait for it. On the basis of it the hard-headed developers of Canada decide what they should do in the coming twelve months. There was no enlightenment in the budget as to what any industry should do. There was nothing to guide them whether they should expand or curtail. There is no relief for the workingman who pays taxes, and there is no relief from the high cost of living. There can be no doubt or dispute that these things are clearly indicated by the budget presented to the people of Canada by the Minister of Finance.

It is almost time for the people of Canada to make up their minds whether we are going

to develop this country as a nation or whether we are going to become a part of the United States. From the actions of the government, and their lack of foresight and guidance as clearly depicted in the budget, we are heading in the direction of continuing to permit the development of our iron ore and natural gas and oil by United States interests. If we stop to reflect we will realize that the International Nickel Company is controlled by the United States, as is the American Can Company, Palmolive Soap Company and all of the automotive industry. All the leading oil companies of the Dominion of Canada are controlled today by the United States, and the kind of news we are constantly getting is United States financed, United States controlled.

The premier of Newfoundland held back the good news when he was bubbling over to tell what a great job some Canadians had done, that they had been successful in making available millions of dollars for the purchase and control of the assets of Canada by United States interests. In a recent newspaper article there is the following:

> Price increases ranging from one-tenth to three-fifths of a cent on various oil products were announced for eastern Canada . . .

They were announced by Imperial Oil. I believe that the members of the cabinet are endowed with enough intelligence to get down to common sense. Each cabinet minister should send out word that we are going to start to develop Canada, that we are going to increase our annual budget, and that we are going to decrease taxation. There is no mystery about that procedure. There is only one method of increasing your budget, and that is by taking more money from fewer people. The people who have more money should pay more than they have paid, in previous years. At the same time the high cost of living would be reduced and we would be letting money remain in the pockets of Canadians so that they would have something to save over and above providing for the bare necessities of life.

I believe I am safe in saying that at the present time Canada is the greatest and wealthiest undeveloped country in the world, but who holds the reins? The people who have vision, the industrialists of Canada, are having their vision and desires curtailed because the budget would exercise a restraining influence on any wise-thinking board of directors. There is no reduction in taxation and we have a budget of $2,430 million. It seems that the position of the government is one of wait and see and pray to the Almighty that something will arise such as a war to bring about prosperity. I may be wrong, but I believe every member elected to the House of Commons is elected because his constituents believe that he will contribute something towards the government of Canada by way of guidance and aid.

Mr. Laing: That is what happened last year.

Mr. Ferguson: Of course that could be expected. It was anticipated before you arrived here because we knew there was an election coming in June. That was not news to the public; it was a foregone conclusion. That will always happen with a Liberal government prior to an election. Don't worry about that. When an election will not take place until four years from now the government reverts to its true form and a position of wait and see and pray to the Almighty. They take the position that we will not develop the resources of Canada, that we will continue to burden the people, that the people can tighten their belts and do without things they want but do not necessarily need. Nevertheless they want them just the same. This Liberal government says that there will be no reduction in taxation but that we will have social services. I am not advocating the curtailment of any social services. I wish I had more time; I would advocate greater social services.

There is a shipyard in the town of Collingwood, where I live, which has produced some of the finest boats ever built. That shipyard produced the largest freighter ever built on the great lakes in peacetime, as well as the largest passenger boat. It produced some of the finest ships of war when called upon to do so in the two world wars. The men working there are willing and able workers, but what is their prospect today? They have one oil tanker to build, and nothing else in sight. There has been a continual reduction of staff. They are faced with the possibility that they may have to leave the homes they have endeavoured to pay for over a period of twenty years. This may bring smiles to the faces of some of the Liberal members of this house, but the situation is serious for the welder, the riveter or the labourer in the shipyard, who returned to work only last month after living for four months on unemployment insurance. There is nothing to smirk at in a situation like that.

I am here to suggest and not to meanly criticize. This government, which has men such as the Minister of Public Works (Mr. Fournier) and others with great ability, certainly should be able to do something about the present situation. It may be necessary to issue bonds for certain national projects that will conserve our wealth, assure employment and cause immigration to come into this country. Surely we Canadians are sick and

tired of seeing a province like Saskatchewan with only seven or eight hundred thousand people, Alberta with about eight hundred thousand, Ontario with four million, Quebec with three and a half or four million, and a total population in this vast country of only fourteen million. To the south we have a country of 150 million. That population did not get there through the wave of a wand. It is true that we have certain climatic handicaps they do not have; but offsetting our cold winter months we have riches untold which they do not have. But we leave them undeveloped, or wait for the Americans to develop them, and permit them to keep the reins in their hands.

I beseech the members of the cabinet to be fairer in their dealings with this house. Let them ask, "What must we do?" We should build a great nation here. We should treble our population, so that in the years to come taxation will be less on the individual and the small businessman. Look at the tremendous growth in our industry and natural resources caused by a war. Why should it be left to a war to bring about these developments? Cannot the men who are in positions of responsibility give the people of Canada a feeling of confidence, so that industrialists will say, "We are prepared to spend more money to expand our industries." The government will be able then to bring in bigger budgets than ever, with far less taxation on the individual person or firm.

I have mentioned a few industries that take most of the cream of our efforts out of this country. Do people stop to consider that annually millions of dollars go from this country to England in reinsurance, in premiums paid by the taxpayers of Canada? Not long ago I noticed the financial statement of a prominent United States insurance company which has several branches in Canada. It has invested in bonds of its own government some $45 million, while it has only a little more than $1 million in Canadian government bonds. The competition is so great that something must be done by this government. It is a bitter pill to swallow, but it is a fact that in the past, through subservience and necessity, much of the fruits of our labour went to other countries. Now Canadians find themselves in the position that something must be done to encourage Canadian capital to invest in our own country and develop our natural resources.

Let me give one example of what I mean. No ship can ply the coastal waters of the United States unless it was built in that country. What is the situation in Canada? About seventy per cent of the ships of Canadian registry plying our coastal waters were constructed in foreign countries. A Canadian company can go to the United States, purchase a boat, bring it to Canada and operate it in our coastal waters; but our generous friends to the south have a sweet little law which says that no company there may buy a boat built in Canada and operate it in their United States water. How much longer must we wait before taking similar measures to develop our own country?

In a way I hate to see the government interfering with any business. I am not speaking only of this government; but from what I have seen in the past of governments, provincial and federal, they have made a holy mess of everything they have ever tackled in the line of business. Today, however, the situation is so grave that something must be done. The cabinet ministers of this government have had experience which should put them far ahead of any of their predecessors, as a group. So they should not skirt this problem, or close their eyes to it; they should recognize the problem and come to grips with it.

In his budget speech the Minister of Finance (Mr. Abbott) declared, "This is the budget. There is no relief." In other words he practically said, "I don't know what to do about it. Let us see what the outcome will be." That might be all right if we had reached the point where we had nothing more to develop. That might be all right if we had a population of 180 million people and did not have to rely upon export markets; but that is not all right with conditions as they are today. People pay $160 for a washing machine in Canada while the same machine sells in the United States for $60. We pay a third more for an automobile produced in this country than the same vehicle costs in the United States. The day may come when we have automobiles at a greater percentage per population than we have today, when we are able to buy these commodities with a certain degree of ease, and when the householders no longer look in the shop windows for twenty years and say, "My, wouldn't I like to own an automatic washing machine, but I can't afford it. The grocery bill, the meat bill, my rent, my clothing, take all I can possibly make. I must continue to break my back over an old-type washing machine." Or else pay, with eyes closed to the insurance premiums to protect the family in case of death, with eyes closed on the proper education of our children, buying a washing machine at a Canadian price which is ridiculous only owing to the fact that we have not a market in Canada to compare with the United States.

There is something radically wrong that we here find ourselves with fourteen million

people. There is no necessity for that. I do not advocate indiscriminate immigration; but the planners, the developers of Canada, who are the great private industries, should receive guidance from this government so that they will be compelled to bring additional labour from Europe in order to cope with the growing pains and the growth of Canada due to the development of natural resources and industry.

I think back thirty years, and each year I have hoped that Canadians would be able to receive, for the same effort and the same intelligence, approximately the same remuneration for their services as they would receive in the United States. But we continue here, year after year, to take as a foregone conclusion what is happening, and the stream of some of the finest boys and girls this country ever has raised continues annually to pour down into the United States—

Mr. Riley: Check your figures on that one.

Mr. Ferguson: —where they will receive better compensation for their efforts. The statement that the stream continues will not tolerate any degree of accurate contradiction. That has been the case for years. Furthermore, there are hundreds of people in Canada who have to face the deplorable fact that, for the sake of receiving better money, they would like to go to the United States but they cannot go. Only recently a sailor in my home town asked that I help him get across the border. I said that it could not be done legally, that the Americans would not stand for it. He informed me that he would receive almost double the money in the United States, working on the same type of ship, the same type of cargo and over the same route on the great lakes. How much longer must we be satisfied with that situation? How much longer must we look at our children coming along and say, "Well, that is your cake from Canada. That is all you can look forward to." How ridiculous that is. If the government of Canada as a body would go over this country from coast to coast, would give up golf games, five o'clock teas, public receptions and political speeches and get right down to earth —yes, a little less running around the world and a little more examination of the undeveloped wealth of Canada—I believe we would have had a different budget from the one we have just had presented to us. You cannot be too emphatic about this situation. We are all here to help Canada. I am not maliciously or meanly criticizing this government. I am asking that something be done in the next twelve months, that whoever the minister of finance may be, he give out the sweet music to everybody's ears, "Your taxes have been reduced."

The budget is greater than ever before; the wealth of the country has expanded, making this possible. Surely the members of the Liberal party here in this house tonight cannot sit back and seriously say that they are satisfied with the budget speech which the people of Canada have to tolerate, the most uninformative speech ever delivered in the house. It was purely a case of "That is the money we need to run the country, and you can go on sweating and expect to receive the same paltry compensation that you have been receiving in the past"; and there will be no guidance from this government as to what we may expect in the future, how big our industries should grow within the next twelve months or four or five years.

A few nights ago I heard one man here make a statement with regard to the pipe line that is to be used in western Canada. He said that the Steel Company of Canada could make this steel pipe. The Steel Company of Canada, by the way, is owned by United States Steel. They have their hands on all the steel in the country. There is no doubt about that. This member of the house said it would cost $5 million to create that steel. What of it? This government should have been whispering in the ear of the Steel Company "Go ahead; we expect we shall be utilizing half a billion dollars' worth of steel at least." If the groundwork to produce this steel is going to cost $5 million, it is a mere fleabite when you consider that the money will all remain in Canada. It will be here to be used by Canadians. It will be here to develop Canada. Please let us have some semblance of encouragement so that Canadians will develop Canada, so that they will be relieved of excessive and unnecessary taxation, and so that the Dominion of Canada will be in a position to spend a far greater sum on its budget than it ever spent in its history before. Canada can stand it and so can Canadians.

Mr. Graydon: Canada first.

Mr. W. J. Major (Glengarry): I did not intend to speak on the budget, Mr. Speaker, but a matter of urgent importance to the farmers of eastern Ontario prompts me to avail myself of this opportunity to speak briefly, as the occasion may not again be available until after the Easter recess.

At this time the farmers are greatly disturbed over the abrupt increase in the price of grain they have to buy from western Canada. Feed wheat which was costing the farmer of my constituency $3.45 per hundred pounds on January 1, 1950, is now sold to him at $3.75 per hundred pounds or $2.25 per bushel, an increase of 8 per cent since January 1. Feed oats which was costing the farmer

$2.75 per hundred pounds on January 1, 1950, is now being sold to him at $3.70 per hundred pounds or $1.25 per bushel, an increase of 95 cents per hundred pounds, or 35 per cent since January 1, 1950.

These prices which I have just quoted are the prices that I, as a farmer, had to pay for grain delivered to me by my dealer. I am sure that there is no reason for this abrupt increase in the price of grain to the eastern Ontario farmer at this time, and it should be re-established at normal price immediately.

While the price of wheat is up 8 per cent, oats 35 per cent and feed rations accordingly, it must be remembered that cheese, hogs, and eggs have been reduced by 10 per cent.

Considering the increase in the price of grains and the decrease in the price that the farmer must take for his various farm products, you may be assured that he will be unable to pay this increased grain price and that he will be forced to discontinue the purchase of feed.

This in turn will mean decreased production to meet our cheese and bacon contracts and a still lesser production to meet what may be a seriously low supply of eggs this fall and followed with all its reaction to the consumer.

The fact that the farmer will be forced to discontinue his purchases of feed may also cause accumulated feed to remain in western Canada—a condition which I am sure our western farmers would not like to see created.

I know of only two ways to remedy this condition, Mr. Speaker: one would be the immediate reduction of the price of grain and the other an increase in the support price to offset the increase in grain price. Which shall it be?

Mr. Raymond Bruneau (Prescott): Mr. Speaker, as the representative of a rural constituency where the majority of the electors belong to the farming class, I consider it my duty tonight, while debating on the budget under study at the present time, to congratulate this government on the passing of a bill in support of farm prices. In doing so, I have the sincere feeling that we are helping those who, through their work, endeavour and efforts, are striving towards achieving the development and progress of our country.

For quite a number of years now, cost of living bonuses have been granted to various working classes, but as yet no bonus has ever been allotted to the farmers except through this price support policy, and I believe it to be an essential one.

If we are to avoid unemployment and a standstill in industry, let us afford the man of the field the opportunity to sell at a decent price. In this way we shall enable him to buy commodities and in doing so, enable the working class, the workman his brother, to produce the current commodities of life. As I stated at a meeting in Plantagenet, in my constituency of Prescott, some time ago, I will pledge myself to support any measure that will help our farming class. By thus ensuring their welfare we shall also ensure that of the labouring class and so promote that true prosperity towards which we all aspire.

I firmly believe, sir, that a good portion of the estimates in the budget under review will be well spent if it is directed in greater measure towards the implementation of the agricultural price-support policy.

I believe also that a great majority of the people of my constituency, and those of the neighbouring ridings, would welcome any estimates from the Department of Public Works which would be used in curbing the waters of one of the wickedest rivers in Canada, the Nation river.

Last Sunday afternoon I was invited to a meeting in St. Isidore de Prescott situated in the southwestern tip of my constituency, but at some distance past Plantagenet. Instead of rolling farm lands, there was a lake in front of me. The Nation river was flooding again. I hope that the Minister of Public Works (Mr. Fournier) will see that some of the estimates of his department are well spent on irrigation works or whatever program will enable the curbing of this yearly flood; and I hope that I shall not miss another annual meeting in that region because of the overflowing of that river.

While contemplating the possibilities of this budget, I would also like, in common with many colleagues in this house, to see the introduction in our social security program of a system of allowances to every person, without any sufficient income or means of support who, by reason of an injury, accident, congenital infirmity or incurable disease, is at a disadvantage in seeking or obtaining employment, or incapable of providing for his subsistence, and whose age prevents him from benefiting from the social security legislation now in force. Such a system is already proposed in a resolution tabled in this house. I believe a large percentage of the problems which are presented to the representatives of the people are those created by circumstances facing such handicapped persons and I am sure, Mr. Speaker, that any legislation to that effect would certainly mean estimates well spent in our budget.

Should we also have an excess of money which we are not too sure what to do with, I wish to inform you, Mr. Speaker, that a

theatre group known as "Le Cercle Gascon", in my home town of Hawkesbury, recently won the *Le Droit* trophy in the recent dramatic festival held in Hull, last March 18, and it might have to compete in a coming dominion drama festival to be held in Calgary. A trip there would cost about $2,000. I believe it would be quite an encouragement to theatrical activities in Canada.

Such are the objectives I would like to see realized under the budget for the fiscal year 1950-51, and I am sure I voice here the views of a good majority of the members in this house.

(Translation):

Mr. Jules Gauthier (Lapointe): Mr. Speaker, in rising for the first time to speak in this house, I deem it my duty at the outset to express the gratefulness of my constituents to the present government and especially to its leader—my leader—from whom it has received such competent and distinguished leadership. Indeed, the constituency of Lapointe did not exist prior to 1947.

The Representation Act, 1947, chapter 71, 11 George VI, states:

> Lapointe, consisting of the city of Arvida and the towns of Kenogami and Jonquière, together with that part of the county of Chicoutimi situated west of the western limits of the townships of Gagne, Tremblay, Chicoutimi, Laterriere, the western part of the townships of Lartigue and Lapointe situated west of the Boisvert river (Cyriac) together with the whole territory situated north of the townships of Falardeau, Begin, Labrecque, and west of a meridian line passing through the northeast angle of the township of Falardeau.

Such is the legal or detailed description, if I may use that term, of my constituency.

In fact, our section of the country has been most richly endowed by nature. Although relatively young—Jonquière, the mother city of Kenogami and Arvida, was founded a little over a hundred years ago—our section of the province of Quebec is still one of the most important. Our unrivalled water power and basic industries have transformed my constituency into one of the vital parts of Canada. But above all our population is worthy of admiration. French-Canadian traditions that have been lauded, and rightly so, by historians, travellers and all those who have observed us objectively, have been fully preserved in my constituency.

Nowhere else in the country, though it is the size of a continent, have the working classes and the farm population shown a better spirit and a clearer understanding of their rights and obligations, done their duty in a more intelligent fashion or claimed their rights with more tranquil assurance.

Our constituency can also set an example in other respects. Some of my electors, for instance, are English-speaking; yet I can state without fear of contradiction that, among us, no problems spring from racial or religious antagonism. Everyone lives in an atmosphere that has not been tainted by petty, narrow nationalism. Yet, our national life, in the best sense of the term, has had intensive development and flourishes in the best Canadian soil. Our relations are based on the respect of mutual rights. Commendable emulation exists among our French- and English-speaking fellow citizens. That is the keystone of our relations. I am therefore especially proud to mention it and to tender an invitation to those who wish to see how concrete action and achievements can be brought about in peace and harmony.

My love for truth, as well as my love for "my little country" and its incomparable people, compelled me to point out this state of affairs.

From the "management-labour" angle, many particular achievements and viewpoints should be drawn to the attention of the house.

We live in the centre of the aluminum industry, a fact known to all. As a matter of fact, one can find in Arvida the largest aluminum factory in the world, where aluminum is produced through the hydro-electric developments at Chute-à-Caron and Shipshaw, which produce more than a million horsepower and remain one of the most daring feats of engineering. I would be remiss in my duty if I failed to point out the leading part played by the Arvida plants during the second world war. The war material we supplied to the Canadian air force, as well as that of the United States and of our allies in general, became an essential element of victory. And in order to pay tribute to those concerned, I must mention a few names.

Had it not been for the leadership and boundless energy of one R. E. Powell and his immediate assistants, Messrs. J. B. White, Lamountain, Whittaker, Johnson and Farrell, we would have been much longer in achieving victory in the field. These men have shown themselves to be, not only great industrial leaders, but craftsmen to whom—it may be said without exaggeration—the allied nations as well as Canada are greatly indebted.

Our military leaders have been shown the gratitude they were entitled to and I associate myself wholeheartedly with all the words of praise which have been showered

upon them. But not enough has been said, I think, of the tremendous task accomplished by our industrial leaders with the help of their faithful workers. To my mind, their names should be inscribed upon the honour roll of our nation.

Mr. Speaker, in paying tribute to the people of my constituency and to the essential role they have played during the war, I have obeyed no chauvinistic dictates. Besides, there are other reasons for calling Arvida a model city. Recently this progressive community won first place in fire prevention work throughout this country. On that occasion it was my privilege and pleasure to congratulate once more its officials whose efforts enabled our town to achieve top ranking in every field.

If I talk somewhat at length about our industries and our manufacturers I do so with pleasure and I know that all the people I represent will thank me for it.

Back home friendly relations between employees and employers are an old tradition. Management and workers have always looked upon each other as friends and fellow workers. If such a feeling prevails there it is due to a very large extent to the Price family who have set up their plants and their main industries at Jonquière and Kenogami. When you talk about the Price people in the region you are bound to please all who have known the humble beginnings of that part of the country and its stupendous development. These employers were not satisfied to use honestly acquired capital and make it grow but they considered their employees as members of a family who, although their immediate interests are sometimes different, must work towards a common goal: the welfare of a hard-working people filled with the ambition and the legitimate pride to reach the top level in their particular activities.

My tribute to the two great industries located in my riding should arouse no suspicion; I have spoken nothing but the absolute truth. Private enterprise in its soundest aspects shall always find in me a true and reliable supporter. I do not fear to make that statement to the country at large.

In 1943, as mayor of the city of Jonquière, I was chosen by the workers as their spokesman and mediator in the strikes at the Price plants. They showed me their gratitude for having championed their cause by entrusting me with the more important mandate of member for the riding of Lapointe. I may say quite frankly and quite honestly that the Price Company is conscious not only of its responsibilities in equity but also of its social responsibilities towards its employees; the latter, on the other hand, besides being good technicians, are fully aware of all the responsibilities of the modern worker.

Unfortunately, Mr. Speaker, what I have to say is not all pleasant. Our country is immense. In size, it is a whole continent. It has intricate problems. During the war, thanks to the Liberal government, friction and internal strife were reduced to a minimum. I make this statement with a certain amount of pride since our country has been one of the few belligerent countries to retain a party government. This is undoubtedly due to the fact that we had a truly honest government and that the Liberal party became identified with the spirit which inspires any nation in those solemn hours when its very future is at stake.

We have had government controls. The wartime prices and trade board has not only proven useful but it has won the admiration of many other countries. Why? Chiefly because its initial purpose was to serve public interest. In view of the shortcomings of human nature it was necessary to curb exaggerated profits, to protect the masses against abuses which, although understandable, are nevertheless objectionable. It was necessary to combine a sound, energetic, fearless and untainted control with free enterprise, the basis of our democratic system. We have had the wartime prices and trade board. It has exercised in fact an efficient control and the Liberal party deserves the credit.

By the way, may I congratulate my leader and the Minister of Transport (Mr. Chevrier) on the appointment of Mr. Gordon as president of the Canadian National Railways. That is, on Canada's part, an act of justice and of gratitude to a leading servant who will henceforth perform his duties with a foremost organization, that is our national system of railways. There is a man appointed to a job that was meant for him.

In my constituency, however, the wartime prices and trade board has made what I still consider a mistake. I point it out with the same frankness which has marked my preceding remarks.

During the summer of 1949, the rental division of the wartime prices and trade board decided to decontrol houses belonging to the Aluminum Company of Arvida. As a result, over 1,000 tenants in the city of Arvida had to pay substantial increases in rent. That step was unfair and unwarranted. At the

time I drew the matter to the attention of the Minister of Finance (Mr. Abbott). I was not the only one to express that opinion.

The election campaign was in full swing when we heard the surprising and strange news that rental accommodation was being decontrolled at Arvida. Mr. Lobley had taken that decision. After consulting my advisers, I concluded that such a step could not be justified. Controls could not so suddenly become objectionable. If they had been proved ineffective, why were they being abandoned at Arvida only?

Everyone must bear his own responsibilities. Nobody will convince me that at Arvida rents should be tied to wages and that rents had also been decontrolled in other places where houses belonged to employers. At that time, a large number of property owners were in the same situation but they continued to come under government control.

In this respect, I made representations to the Minister of Finance but I am sorry to say that justice has not been done to Arvida tenants.

I do not claim that the rents paid the owners were adequate. I commend the Aluminum Company for having provided this housing accommodation at low rates which were insufficient in many cases. However, while other landlords in the same position were subject to rent control, those at Arvida were not affected by it and tenants of that city had to take the consequences. I point out to the Minister of Finance that I have not changed my mind. I believe that full justice, democratic and liberal justice, has not been done my constituents in Arvida.

I do not wish to involve anyone, but just the same it should be pointed out that the arbitrary course taken by Mr. Lobley, rental controls administrator, also surprised and astonished the hon. member for Outremont (Mr. Rinfret). As a matter of fact, the hon. Postmaster General gave me his unequivocal support during my electoral campaign when a rather bitter discussion took place at Arvida on rental controls. I thank him.

When my leader announced that the hon. Postmaster General had become a member of the government, I was delighted to hear of his appointment, which he had more than deserved. I was proud to have been supported by such a man and I want to express my sincere gratitude to him.

Now, in any event, I formally repeat my wish that full justice should be given to my constituents in Arvida.

This is how the member for Lapointe constituency respects the promise made to his constituents and electors. Fearlessly, he claims from the house what he promised his constituents and he draws to the particular attention of his respected leader, of the right hon. the Minister of Finance and of the Right Hon. Mr. Howe this matter of national importance, since it is a matter of principle and justice.

Mr. Speaker, during the last session of parliament, my distinguished colleague, Mr. André Gauthier, member for Lake St. John, called the attention of this house and of the government to the fact that lumberjacks were not entitled to unemployment insurance benefits.

I wish to congratulate my hon. friend for this timely gesture, which may be found recorded in *Hansard* for October 25, 1949, at page 1144. Since then, the government has carried out the recommendations of my colleague from Lake St. John, which goes to show that from within the Liberal party may come suggestions towards the common good to which the government is ready to subscribe. I ask the Prime Minister and his distinguished colleagues to accept my personal thanks, as well as those of the electors of the constituency of Lapointe, among whom may be found several hundred lumberjacks, as well as the thanks of those who are of one mind with the member for Lake St. John and myself.

Mr. Speaker, I am firmly convinced that any suggestion, any recommendation, offered in this house in the interests of the people will be acted upon by the government if it can be carried out. That is why I unhesitatingly suggest to the leaders of this country what I consider to be the policy to be followed with respect to old age pensions.

Inasmuch as industry and commerce obey the law of nature,—at least I hope they do,—they will not keep at work people who have reached 65 years of age. Personally, I am of the opinion that one is not disabled at this age but that, on the contrary, one can make one's employer profit by the intangible asset of experience, in addition to one's work. However, facts are facts and industry mercilessly lays off workers who have reached 65 years of age. That is the fateful age, the age which puts an end to a man's work but unfortunately does not put an end to his needs. They may not be as great as during the two or three preceding decades, but they still exist. Under our system, which is not faultless, but which we must accept with its

advantages and deficiencies, it is the duty of the state to help wage earners when they reach the age of 65. I wish to make the following proposals:

1. At 65, every Canadian citizen should be entitled to an old age pension, the amount of which shall be in relation with the cost of living, after an investigation has proved the need of such pension.

2. Old age pensions should be paid automatically at the age of 70, to any person, man or woman.

My proposals have been carefully thought out and are the result of experience. My constituents belong to the working class. I solemnly declare to the government of this country, my government, that it is unfair, in my opinion, that working people should have to eke out a living and be the prey of anxiety, uncertainty and unhappiness for a period of five years, from 65 to 70.

Though I am a member of parliament, I do not forget that I have been and remain a notary. In that capacity, I can state that many people prematurely dispossess themselves of their property in order to get, once they reach 70, the old age pension on the basis it is paid at present in this country. As a result, the situation is, in many cases, abnormal. I believe it would be sound administrative policy on the part of the government to grant old age pensions to people 70 years old without the means test; in this way family allowances are paid, just as the sun, which is good in itself, sheds its beneficial rays irrespective of the merits of the recipients.

These ideas should surprise no one. In 1950, we no longer argue as we did in 1900 or 1867. I know that truth is eternal and unalterable. However, the relative truths encountered in administrative measures cannot be compared to absolute truth. They must adapt themselves to special needs and to various periods. Moreover, is it not the privilege of Liberalism to develop itself constantly? Its evolution, though, must be progressive and based on nothing but the possible and practicable happiness of the masses who know how to condition their rights by relating them to their duties.

Could it be that there are people who consider my remarks to be too bold? They do not know my leader. And they are not true Liberals since, essentially, it is the duty of a Liberal to honestly express a fair and honest thought, unmindful whether it runs counter to interests which, legitimate though they may be, are nonetheless private interests.

[Mr Gauthier (Lapointe).]

If I should be called upon to give a concrete example of my love for freedom of thought and speech, I would say that radical reforms should be made in the way our penal laws are enforced. I would say that a cause as worthy, just and reasonable as that which the Montreal *Le Devoir* has just espoused, with respect to public morals, should gain the support of public opinion and honest folk. When evidence is offered to the intelligence of common people and leading citizens alike that brings them to the necessary and objective conclusion that all is not well, that law-abiding people are not adequately protected, that the conscience of honest men cries for vengeance, I cannot but say and no one will prevent me from saying that morality laws are ill enforced, inasmuch as in a dispute which has arisen between leaders legally and legitimately chosen to do good—here again, is it these so called authorities that—but I do not care to mention the reasons—should prevent them from uniting for the eradication of evil?

Our Criminal Code must be enforced to the full, municipal police forces must co-operate to this end with provincial and federal forces and not remain inactive because of a jurisdictional dispute.

This brings me to express a few simple home truths, unpleasant though they may be.

Politics or, to be more exact, politicians are doing great damage to our country generally and, more particularly, to our beloved province of Quebec. A political dictatorship, organized or at least encouraged covertly by the provincial government of that province, is spreading its tentacles in the municipal, school administration and even parochial fields. This attitude robs life of its flavour and, in some cases, poisons it entirely.

It is more than ever high time to call a halt to our fratricidal struggles, as Mercier once did. However, peace must be achieved with dignity and not by surrendering unconditionally to an arbitrary power which, having menaced public order, seeks also the total and absolute ruin of those who, in good faith, and following the dictates of justice and reason, have fought against it and continue to do so.

Mr. Speaker, at the beginning of my speech I spoke about my constituency and my constituents, a subject naturally more pleasant than my last remarks.

Fortunately I have reserved these last moments to talk about my revered leader, the Right Hon. Louis St. Laurent. First of all I want to thank him for having chosen

as Deputy Speaker of the house a man as distinguished as the hon. member for Roberval, who is to a certain extent my political godfather. The county of Lapointe, the name of which recalls both Mgr. Eugene Lapointe and his namesake the former Minister of Justice, owes to him—at least to a great extent—its existence as a distinct unit. In that regard, I want to say that the Saguenay people were particularly happy to hear of the admission to the cabinet of the Hon. Hugues Lapointe. He fought with valour on the battlefields and the people in the county that bears his name rely on him also to uphold, in the councils of the nation, the democratic ideals which were, are and will remain common to the illustrious minister of justice that was Ernest Lapointe, to our distinguished and beloved Solicitor General, and to the modest but sincere member for Lapointe.

Great tasks await the Solicitor General and we can rest assured of his success just as he can count on our co-operation. I wish to thank him in particular for the gracious way in which he has received a delegation from Saguenay, which had come to acquaint him with the needs of our unemployed.

I know the government has done a great deal for our people. Unemployment insurance has shown that it was not only useful but necessary. More will have to be done, however.

As far as I am concerned, I have already had the privilege, as mayor of the city of Jonquière, of making known to the premier of Quebec my views to the effect that municipalities, whose powers are derived exclusively from the provincial legislature, should first seek help from that body as being their immediate superior authority. As mayor of the most important city in the constituency of Lapointe, I offered the premier of Quebec my co-operation.

Though my offer dates from February 13 last, I have not yet had a reply. Our people, however, are still waiting, but there is a limit to their patience. The problem of unemployment must not become a political football. Provincial revenues, though smaller than those of the country as a whole, are nevertheless adequate, with the assistance currently given by the dominion government, who will increase it if necessary to provide jobs for our unemployed. Let us undertake the public works that are needed, those that were promised, for instance, during the last provincial elections in Quebec as well as those for which $200 million were appropriated. That would greatly improve the situation.

I state without hesitation that the dominion government, having accomplished so much, must put forward a plan to alleviate unemployment. I must point out that the needs of my constituency are great. However, as the problem is one with which the government ought to deal with in part, I wish to state that my constituents have full confidence in our leaders and place all their trust in them. They know that if their efforts are supported as they should be by the provinces, for whom this is an imperative duty, there will be no undeserved hardship in a country so abundantly endowed by Providence.

(Text):

Mr. J. O. Gour (Russell): Mr. Speaker, I join with members who have spoken before me, and particularly the hon. member for Glengarry (Mr. Major), in sincerely regretting the unjustified rise in the price of grain since the first of January. It has put eastern farmers in a bad position. It has discouraged them because, with prices of feed as they are now, there is no more chance for a net profit. The federal government gave great help by way of subsidies of $6 for freight on feed, $3.50 per 100 pounds on bacon and three cents per pound on cheese, but all this help is lost now, so far as eastern farmers are concerned, in view of the prices they are obliged to pay for feed. They will quit feeding. They will stop raising cattle, pigs and chickens. Therefore there will be little demand for the grain of the western provinces. In the near future there will be a surplus of grain and they will be obliged to sell it at a very low price. The same thing happened many years ago when wheat was as high as $2 and $2.25 a bushel. We all remember what happened.

Therefore I think it is my duty to urge our good friends, the grain growers of the western provinces, not to create such a bad situation for their friends, the farmers of the east, who after all are their best customers, because in the near future they will need them to buy their grain and it will be too late. Today the bulk car price for No. 3 C.W. oats is $76 a ton at stations in eastern Ontario less a subsidy of $6 per ton. Barley is about the same. At the present time farmers, dealers and co-operatives refuse to buy. It will mean less bacon, less cheese, less chickens, and so on. The quoted price for grain on July 31 last was $15 less per ton. Why do we not have the July price today? If we did, our farmers would buy, the western farmers would get their money more quickly, and the eastern farmers would keep on producing the food. It would not create this misunderstanding between eastern farmers who need

the grain and western farmers. The western farmer needs the eastern farmer to buy his grain. We need the best friendship we can possibly have. Two years ago I had the good fortune to go to all the western provinces, and all the people I met were very nice. It is true that some farmers were well off, while others were not in such good shape, but that is so at all times. They received us very nicely; but while our eastern farmers like the western people, we hope they will not try to get too much money right now. That will make for misunderstanding; and if the eastern farmers stop raising cattle and stop buying their feed grain, it will be just too bad. I hope they will not ask again for more money from the government or that they will not refuse to deliver their grain. Perhaps it is only natural to want to get another ten or twenty-five cents a bushel, but sometimes too much ambition is not good for you.

We hear a good deal of talk about discrimination with respect to income tax as between the western and eastern farmers. Well, in my riding there is a tax collector, just as there is everywhere else. I am sure the eastern people, farmers and others, who have any revenue are subject to the same income tax that is applied in other parts of Canada. The regulations and the law are the same. I pray God that my farmers will all have the means to pay income tax, because that would show that they had the revenue; and my farmers do not refuse to pay if they make enough. Therefore I hope there will be no more of this trying to set the people of the west against the people of the east, or race against race, and so on. We are all alike, and we should be developing the very best possible friendship between provinces, classes, religions and races. I hope things will continue as they are now, with the good government we are getting, and that the good understanding we have may increase. I am sure all those on this side of the house and indeed those on the opposition side as well have the same hope.

In conclusion, Mr. Speaker, I repeat that something should be done by means of subsidies or in some other way to keep down these high prices, so that we may continue to be the best customers of the western farmers. We need the western people, as they need us. Therefore we should work together for the prosperity of this country.

Mr. William Bryce (Selkirk): Mr. Speaker, I can assure the hon. member for Russell (Mr. Gour) that I am delighted with what he has said. I would remind him of the age-old alliance between Scotland and France, and assure him that it still exists as between the east and the west in Canada. Let no Frenchman ever think western Canada is against him.

My hon. friend complains about the price he has to pay for his grain, and he blames the western farmer. It is not the western farmer who is to blame. I disagree with the hon. gentleman when he speaks of the good government we have. Why, it is the government we have that makes him pay these prices. They are not set by the western farmers. Certainly they want to get as much as they possibly can; but my hon. friend was one of the first to complain about the controls imposed by the government, though those controls enabled him to get his grain at a fair price. When we went back to the speculative system, call it private enterprise or what you like, we were robbed right and left. My hon. friend over here cannot produce eggs any more because costs are too high. The poultry farmer in Manitoba is up against the same thing today, and so is the man feeding steers. So we are all in the same boat; but if my hon. friend wants to correct the situation let him come over here and help me fight this thing, instead of sitting over there. As long as he is on that side of the house they will not listen to him; he will be only crying in the wilderness. We must have controls to see that the middleman does not get in and make more profit than the man who is feeding the hens, because that is what is happening. That is the man to blame, not the western farmer. We know you are one of our best markets, that you are going to buy the feed grains we cannot use ourselves. We are not going to make the price one you cannot pay, because if you do not get something for your labour certainly you will not continue to buy our grain, and we do not want that to happen.

Well, Mr. Speaker, there is a holiday feeling in the air tonight, and I should like to adjourn the debate so I may go further into these matters when we meet after Easter.

On motion of Mr. Bryce the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull) moved the adjournment of the house.

He said: Tomorrow is private members' day, and we will follow the order set out in standing order 15.

Motion agreed to and the house adjourned at 10.50 p.m.

HOUSE OF COMMONS

Wednesday, April 5, 1950

The house met at three o'clock.

TIM BUCK

REFERENCE TO VISIT TO HUNGARY TO ATTEND COMMUNIST CONVENTION

Mr. T. H. Goode (Burnaby-Richmond): Mr. Speaker, I rise on a question of privilege. I believe that it is in the public interest that I should bring to the attention of this house a press release of today's date which informs the people of Canada that Tim Buck, the leader of the Labour-Progressive party in Canada, is at present attending a communist convention in Hungary.

It is my understanding that the government have not the right to inquire into the purpose that prompts a Canadian citizen to leave this country. I suggest, Mr. Speaker, it is about time that this House of Commons should demand that communists of the type of Tim Buck be put in a place that would preclude their opportunities of attending such conventions and then allow them to come back to Canada and spread the communist doctrine among others.

Mr. Gordon Graydon (Peel): Mr. Speaker, arising out of the question of privilege raised by the hon. member for Burnaby-Richmond (Mr. Goode), I should like to ask a question of the Secretary of State for External Affairs. Under ordinary circumstances perhaps he would require notice of a question of this kind, but the person involved is so well known that perhaps he can answer now. Was Tim Buck granted a passport to go overseas in connection with the mission to which the hon. member referred?

Hon. L. B. Pearson (Secretary of State for External Affairs): I assume that the gentleman in question —

An hon. Member: Gentleman!

Mr. Pearson: —if I may call him that, is the possessor of a Canadian passport. I have no knowledge of the circumstances under which it was issued, or when it was issued.

Mr. Goode: I have a supplementary question to ask. Has the minister the power to revoke such a passport?

Mr. Pearson: I do not know of any occasion on which a passport in the possession of a Canadian citizen has been revoked. Whether I have the legal power to do that, on the assumption that I could get hold of the passport, is something I should like to look into before I answer.

WHEAT AND COARSE GRAINS

ANNOUNCEMENT OF INITIAL PRICES FOR WESTERN WHEAT, OATS AND BARLEY FOR 1950 CROP YEAR

Right Hon. C. D. Howe (Minister of Trade and Commerce): I wish to make an announcement to the house in regard to initial prices for western wheat, oats and barley for the crop year commencing on August 1, 1950, in order that producers will know the government's policy in regard to initial prices for these grains prior to the seeding of the new crop.

I will first deal with wheat from the designated pool area. As I stated in the house on March 21, the five-year pool ends on July 31, 1950, and a final payment will be made to producers as soon as possible after that date. When the final payment on the five-year pool is made, it will mark the tenth successive wheat crop upon which additional payments, over and above initial prices, have been made by the Canadian wheat board. I believe that this record is one which is not only of public interest, but one that is appreciated by wheat producers themselves. It represents a series of pooling operations for the most important grain crop of the prairie provinces, based upon the principle of reasonably safe initial prices, and the distribution of surpluses resulting from these pooling operations.

Commencing on August 1, 1950, and assuming that parliament will accept proposed amendments to the wheat board act, pooling operations in wheat will be on an annual basis. The initial payment which I am announcing today will be effective for the next crop year from August 1, 1950, to July 31, 1951.

Hon. members and wheat producers in western Canada will remember that the initial price for wheat in the current five-year pool was first established at $1.35 per bushel. Adjustment payments made from time to time within the pool period have brought the payment on delivery up to $1.75 per bushel, with, of course, appropriate adjustments for all deliveries previously made to the pool. In

setting the new initial payment, the government believes that it is bound to follow sound pooling practice, dictated by experience in pooling operations over the years. The new initial price must again be set at a reasonably safe level, and one that is not likely to lead to the bankruptcy of the pool.

The prices set must take into account not only the international wheat agreement floor prices for 1950-51 of $1.40 U.S., but also the 1951-52 floor of $1.30 U.S., which will apply to whatever carry-over may be on hand—and there is bound to be some—at the end of the coming crop year. Then, too, there is the possibility of deliveries to the board being in excess of the international wheat agreement quantities, which excess would not be protected by any international floor price.

The government proposes, therefore, to establish the initial price for wheat for the crop year 1950-51 at $1.40 per bushel, basis No. 1 northern wheat in store Fort William, Port Arthur or Vancouver. Initial prices for grades other than No. 1 northern will be fixed by the board with the approval of governor in council. I wish to emphasize that this is an initial price, and producers will, of course, receive in further payments any surplus accumulated by the board either during the pool period, by advance in the initial price if such should appear justified, or by interim payments after the close of the pool period under the authority to be sought in the amendments to the wheat board act. The final price which producers will receive for wheat delivered in 1950-51 will depend upon the international wheat situation as it develops, and the success of the board's efforts in selling wheat at the best available prices.

I will now deal with oats and barley. The government has decided that the initial price for No. 2 Canada western oats in store Fort William-Port Arthur will be 65 cents per bushel. The initial price for No. 3 Canada western six-row barley, basis in store Fort William-Port Arthur, will be 93 cents per bushel. These initial prices are the same as initial prices for these grades in effect for the present crop year. Appropriate initial prices for other grades of oats and barley will be established by the board.

In establishing these initial prices for oats and barley the government has in mind the principles which I have outlined in regard to the fixing of the initial prices for wheat, and also the successful operation which has been possible in connection with oats and barley during the present crop year. The government expects that there will be a continuing demand for oats and barley, and especially for malting barley.

Whether a voluntary pool for flax will be operated in the next crop year must depend upon the acreage of flax that is planted. In any event, the initial price would not be higher than the $2.50 per bushel fixed for the present voluntary pool. For obvious reasons, the voluntary pool in flax of this year has been little patronized by the growers. Assuming a reasonable crop, the open market is likely to provide an outlet satisfactory to the growers. However, the flax situation will be reviewed before the end of the present crop year and a decision taken then.

Mr. Harkness: I should like to direct a question to the Minister of Trade and Commerce consequent upon his announcement as to prices of wheat and coarse grain. Was the price of $1.40 for wheat set because of an apprehension that the world price of wheat is going to fall seriously, or was it designed to encourage wheat producers to plant decreased acreages and thus encourage a greater planting of coarse grain?

Mr. Howe: My hon. friend, not being a wheat grower, will not be able to interpret the statement, but I think most wheat growers will be able to do so.

Mr. Harkness: I am a wheat grower.

POSTAL SERVICE

ACTION OF POST OFFICE DEPARTMENT IN DENIAL OF USE OF MAILS

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, with the consent of the house I should like to raise a question which otherwise I would have raised before the orders of the day were called. In view of the fact, however, that at this sitting, the last before the Easter recess, no orders of the day will be called, I wish to ask the Minister of Justice whether he has given consideration to the extent to which the Post Office Department is usurping the authority and responsibilities of the Department of Justice in acting as a court by making decisions as to the guilt or otherwise of certain people using the mails of Canada. According to his published statement, the deputy postmaster general is deciding, without notice to the people affected, whether they may or may not use the mails.

Hon. Stuart S. Garson (Minister of Justice): Without in any way acquiescing in the allegations of fact which the hon. member has made in his question, I may say that the matter to which he has referred has had consideration and is still under consideration.

Mr. Drew: In view of the answer the Minister of Justice has given, that the matter

is under consideration, I should point out to him that the mail now being stopped not only affects those against whom the order has been made, but has the effect of preventing the receipt by other people of securities and other documents to which they are entitled. For that reason I suggest it is a matter which requires urgent attention.

Mr. Speaker: In view of the fact that this is the last sitting day of the house before the Easter recess, if there are questions which might properly be asked on the orders of the day, perhaps it would be agreed that they be asked now.

LABOUR CONDITIONS

FORD MOTOR COMPANY—RAILWAY EMPLOYEES

On the orders of the day:

Mr. D. F. Brown (Essex West): Mr. Speaker, I should like to ask a question of the Minister of Labour which is of vital interest not only to my constituency but to all of Canada. Is he aware of the impending industrial strike at the plant of the Ford Motor Company of Canada, Windsor, Ontario? If so, is his department proposing to take any action?

Hon. Humphrey Mitchell (Minister of Labour): Mr. Speaker, I wish to thank the hon. member for his question, and for having given notice of it. I am aware that there is a difficult situation in Windsor. But, as he will know, it comes under the jurisdiction of my good friend, Hon. Charles Daley, Minister of Labour for the province of Ontario.

An hon. Member: Louder.

Mr. Mitchell: The province of Ontario; you would not know where that was. We have just heard a voice from the wilderness. I hope that the representatives of the union and the company will find a way to harmonize their differences so that a strike will not take place, in view of the importance of the industry to a great city and to the nation. In any event I understand a conference is going on today between the two parties.

Mr. Coldwell: Does the minister's answer apply also to the question raised yesterday by the hon. member for Winnipeg North Centre (Mr. Knowles) in connection with the railways?

Mr. Mitchell: I would answer the hon. member exactly as I answered yesterday. Of course I am not on my feet as often as he is. Those who have any knowledge whatever of labour conditions in this country know that there is federal jurisdiction and provincial jurisdiction. There is such a thing as a conciliation board. Up to this time I have not received a report from the conciliation board set up in connection with the railway dispute, the chairman of which is Mr. Justice Wilson, of British Columbia, nor have I a report from the company and the employees.

Let me repeat what I said yesterday, that when delicate negotiations are taking place between employees and employers, and before a report is issued, this should be the last place on earth at such a time to ask a question, if we wish to have a satisfactory settlement. That is my considered opinion in the matter. I may be wrong, of course, but I have had a good deal of experience in these matters.

IMMIGRATION

INQUIRY AS TO DEPORTATION OF ENRIQUE MONTENEGRO AND ANGELO PARRA

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, on March 14, in the absence of the Minister of Citizenship and Immigration, I directed a question to the Prime Minister (Mr. St. Laurent) concerning two young Spaniards named Enrique Montenegro and Angelo Parra who were about to be deported from Canada. The Prime Minister said that there would be further inquiry, and that a report would be made subsequently about these two lads. Is the minister in a position today to make a report as to what decision has been reached?

Hon. W. E. Harris (Minister of Citizenship and Immigration): After this matter was raised in the house by the hon. member for Vancouver-Quadra, several British Columbia members spoke to me about it, and for that reason we have made a complete investigation. I should like to report to the house that Montenegro and Parra arrived at New Westminster, British Columbia, as stowaways on the British ship *Alcyone Hope* on July 10, 1949. On examination by the usual board of inquiry it appeared that Montenegro was a carpenter and Parra a seaman. They had stowed away on the S.S. *Alcyone Hope*, on which vessel they were working in Barcelona, Spain. They were not admissible to Canada, and were ordered deported. Early deportation was not effected because of a lack of transportation, and this was finally arranged in January last. Various statements have been made to the effect that they would suffer severe penalties if deported to Spain, as it was alleged that they were deserters from the Spanish navy.

These aliens furnished no information regarding naval service until questioned on arrival at Montreal on March 14 for deportation. In fact, Parra stated under examination by the board of inquiry last summer that he was too young for military service in

Spain. At Montreal they submitted a sworn statement that they were conscripted into the Spanish navy in 1948 and deserted from the warship *Galicia* at Barcelona on April 28, 1949. Official inquiries in Spain establish that the warship *Galicia* has not entered Barcelona in recent years, which fact casts serious doubt on the statements of these aliens regarding their status in Spain.

Representations that they wished to proceed to Guatemala and that visas were being obtained for that purpose were received by the department only on March 11 when the aliens were en route to Montreal. Proceedings were suspended to permit of further inquiries being made. The department has within the past few days received official information that visas have been granted by the consul general of Guatemala in Montreal. Montenegro and Parra will be allowed to effect departure from Canada to Guatemala as soon as their interested friends can arrange transportation.

POTATOES

GENEVA AGREEMENTS—REPORT AS TO RESTRICTION OF IMPORTS INTO THE UNITED STATES

On the orders of the day:

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, before the orders of the day were called yesterday the hon. member for Victoria-Carleton (Mr. Hatfield), referring to a newspaper report, asked for information regarding the export of Canadian potatoes to the United States. The first question was: Is the report coming from Geneva correct that the contracting parties to the general agreement on tariffs and trade agreed to let the United States take measures to restrict the flow of imports of Canadian potatoes? The answer to that is no. That report does not give a correct picture of what took place. The general agreement on tariffs and trade negotiated at Geneva in 1947 contains, in schedule XX, United States concessions, certain tariff concessions under tariff paragraph 771 on table potatoes. This is a concession that was carried forward from the 1938 trade agreement between Canada and the United States. It provides, in addition to a fixed quota of one million bushels to be admitted at 37½ cents per one hundred pounds, that if for any calendar year the production estimate made by the Department of Agriculture as of September 1 is less than 350 million bushels the concession of half rate of duty, 37½ cents, will apply to that amount of potatoes that might be imported to make up the difference between the estimate and 350 million bushels. United States production since 1938 has always been above 350 million bushels; hence this concession has never been applied in practice.

The rate of duty on seed potatoes is 37½ cents per one hundred pounds for the first 2½ million bushels imported in the twelve-month period beginning on September 15 in any year, and 75 cents per one hundred pounds on all seed potatoes above this quota.

The Canadian government was approached by the United States authorities with regard to the figure of 350 million bushels specified in the tariff on table potatoes. The latter anticipated possible difficulties in the next crop year arising from their acreage restriction policy and they therefore requested a modification of this particular clause.

Since Canada has not been shipping potatoes to the United States under this clause, and since the whole matter will be discussed at the coming tariff negotiations, Canada agreed for a one-year period commencing September 15 next to read the general agreement on tariffs and trade as if the figure 335 million bushels were substituted for 350 million bushels in paragraph 771 of schedule XX, such an agreement being without prejudice to the negotiations on potatoes to be undertaken at Torquay in September. This waiver was to be carried out under article XXV, paragraph 5 (a), of the general agreement.

This temporary adjustment was formalized by agreement of the contracting parties to the general agreement on tariffs and trade some days ago.

The second question was: Did Canada have a representative at the conference? The answer to that is yes. The third question was: Did Canada agree in advance? The answer to that is, yes.

VACANCY

Mr. Speaker: I have the honour to inform the house that I have received a communication from two members, notifying me that the following vacancy has occurred in the representation, viz:

Of Maurice Hartt, Esquire, member for the electoral district of Cartier, by decease.

The notice is as follows:

Electoral District of Cartier

Dominion of Canada, To wit } House of Commons

To the Honourable the Speaker of the House of Commons:

We, the undersigned, hereby give notice that a vacancy has occurred in the representation in the House of Commons, for the electoral district of Cartier, due to the decease of the former member, Maurice Hartt.

Given under our hands and seals, at Ottawa, this 4th day of April, A.D. 1950.

Angus MacInnis
Member for the electoral district of Vancouver East

Stanley H. Knowles
Member for the electoral district of Winnipeg North Centre

Accordingly I have issued my warrant to the chief electoral officer to make out a new writ of election for the said electoral district.

WESTCOAST TRANSMISSION COMPANY

AMENDMENT OF ACT OF INCORPORATION, TO STRIKE OUT "OR OUTSIDE CANADA"

Mr. J. S. Sinnott (Springfield) moved the first reading of Bill No. 131, to amend an act to incorporate Westcoast Transmission Company Limited.

Mr. Fraser: Explain.

Mr. Graydon: May we have a full explanation from the hon. member, please?

Mr. Sinnott: Mr. Speaker, the purpose of the bill is to delete the words "or outside Canada" from the act under which the Westcoast Transmission Company Limited was granted a charter.

Motion agreed to and bill read the first time.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 91, for the relief of Jessie Ferguson Deans McKenzie.—Mr. Winkler.

Bill No. 92, for the relief of Daisy Muriel Smallcombe Devaney.—Mr. Winkler.

Bill No. 93, for the relief of Stella Burns Herdman Elder.—Mr. Winkler.

Bill No. 94, for the relief of Ethel May Alice Turnbull Colligan.—Mr. Winkler.

Bill No. 95, for the relief of Effie Irene Collier Newman.—Mr. Winkler.

Bill No. 96, for the relief of Phyllis Anne England McNab.—Mr. Winkler.

Bill No. 97, for the relief of Martha Jean Brooks Markell.—Mr. Winkler.

Bill No. 98, for the relief of Kathleen Zawitkoska Symianick.—Mr. Winkler.

Bill No. 99, for the relief of Jeannine Martineau Masse.—Mr. Winkler.

Bill No. 100, for the relief of Betty Borman Archambault.—Mr. Winkler.

Bill No. 101, for the relief of Edwin Dawson. —Mr. Winkler.

Bill No. 102, for the relief of Mavis Barker Billingham.—Mr. Winkler.

Bill No. 103, for the relief of Roland Gour. —Mr. Winkler.

Bill No. 104, for the relief of Margaret Elizabeth Taylor Clarke.—Mr. Winkler.

Private Bills—Divorce

Bill No. 105, for the relief of Sylvia Singer Mepham.—Mr. Winkler.

Bill No. 106, for the relief of Mabel Kathleen Baxter Simons.—Mr. Winkler.

Bill No. 107, for the relief of Vittoria Minotti Mastracchio.—Mr. Winkler.

Bill No. 108, for the relief of Dent Harrison. —Mr. Winkler.

Bill No. 109, for the relief of Margaret Mahajahla Aitken Schoch.—Mr. Winkler.

Bill No. 110, for the relief of Esther Spector Gelfand.—Mr. Winkler.

Bill No. 111, for the relief of Sophie Roth Pliss.—Mr. Winkler.

Bill No. 112, for the relief of Gertrude Howard McWilliams Rubin.—Mr. Winkler.

Bill No. 113, for the relief of Remenia Bertha Duguay Briggs.—Mr. Winkler.

Bill No. 114, for the relief of Blanche Naomi Greenlees.—Mr. Winkler.

Bill No. 115, for the relief of Leslie William McNally.—Mr. Winkler.

Bill No. 116, for the relief of Jacqueline Marie Scully Sirois.—Mr. Winkler.

Bill No. 117, for the relief of Phyllis Christina McLeod Daly.—Mr. Winkler.

Bill No. 118, for the relief of Winnie Florence Clitheroe DuVal.—Mr. Winkler.

Bill No. 119, for the relief of Muriel Elizabeth McCurry Welham.—Mr. Winkler.

Bill No. 120, for the relief of Betty Margaret Slinn Metivier.—Mr. Winkler.

Bill No. 121, for the relief of Fanny Abramowitch Mergler.—Mr. Winkler.

Bill No. 122, for the relief of John Wood.— Mr. Winkler.

Bill No. 123, for the relief of Olivia Mary Tipping Morris.—Mr. Winkler.

Bill No. 124, for the relief of Mable Veronica Askin Williamson.—Mr. Winkler.

Bill No. 125, for the relief of Christine Rachel MacLeod Nicholson.—Mr. Winkler.

Bill No. 126, for the relief of Anne Halperin Perelmutter.—Mr. Winkler.

Bill No. 127, for the relief of Phyllis Rochlin Rabinovitch.—Mr. Winkler.

Bill No. 128, for the relief of Mary Kaybridge Goulbourn.—Mr. Winkler.

Bill No. 129, for the relief of Muriel Alice Mary Westgate.—Mr. Winkler.

Bill No. 130, for the relief of John Elliot Cumming.—Mr. Winkler.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

OLD AGE SECURITY

Mr. Knowles:

1. How many persons on the staff of the research division and/or any other division of the Department of National Health and Welfare have been

engaged in the study of, gathering information on, or research into, old age security, from January 1, 1945, to date?

2. How many of these persons worked on old age security in each of the years indicated, and what proportion of their time was spent in work on old age security during each such year?

3. Are there any memoranda or reports available indicating the results of research on old age security as indicated above?

4. If so, what are their titles?

5. Has information been secured on the legislative provisions for old age security in any countries other than Canada?

6. If so, what are these countries?

7. Is any of the above material available to members of parliament in any form? If so, how can it be obtained?

Mr. Martin:

1 and 2.

It is not possible to state with any accuracy the number of persons on the staff of the Department of National Health and Welfare who have at any time since January 1, 1945, been engaged in the study of questions relating to old age security; nor to reconstruct for the past five years the number of persons who worked on old age security in each of the years indicated, or the exact amount of time which each person spent on studies in this field.

The work of the research division of the department is not divided into such watertight compartments as to permit of segregation in this manner of the number of persons or the amount of time spent on studies in regard to old age security.

The study of old age security has engaged the attention of a substantial number of the staff of the research division for a considerable portion of their time during the past five years. Three or four of the members of the research division staff have spent a major portion of their time on studies relating to old age security. In addition to this, the director of the research division, the director of the old age pensions division and members of his staff, and the deputy minister of welfare have devoted a considerable portion of their time to studies and preparation of basic data in regard to old age security.

In addition to this, certain staff members of the information services division have also collaborated in the preparation of material in this field, particularly in connection with the preparation of the special supplement on old age pensions which was published in September, 1948, as a supplement to "Canada's Health and Welfare."

Further, in the studies which were undertaken in the summer of 1947 by Dr. H. M. Cassidy of the university of Toronto, a considerable amount of work was done by Dr. Cassidy himself, by members of the Department of National Health and Welfare and of other departments, in regard to old age security.

3, 4, 5, 6 and 7. A substantial number of memoranda and reports on old age security are now on hand in the department. Some of these deal with legislative provisions for old age security in other countries than Canada. This information will be made available to the joint committee on old age security on request.

OLD AGE PENSIONS—SUPPLEMENTARY PAYMENTS —MEANS TEST

Mr. Whiteside:

1. Is a supplementary payment paid by a province to old age pensioners considered as income subject to the means test under the federal Old Age Pensions Act and regulations?

2. What is the supplementary payment paid to old age pensioners in the provinces of (a) Saskatchewan; (b) Alberta; (c) British Columbia?

3. Are these supplementary payments subject to a means test? If so, under what authority?

4. What governmental authority makes the regulations that apply to these supplementary payments?

5. Have the governments of any of the provinces which provide supplementary payments on a means test basis recently been requested to eliminate therefrom the means test? If so, with what result?

Mr. Martin:

1. No. Section 10 of the regulations passed under the Old Age Pensions Act reads as follows:

"In determining income for the purpose of the act, the pension authority shall in each case take into account the amount or value of all income and contributions received, whether in cash or in kind, other than . . .

(c) cost of living allowances or supplemental allowances paid by any province to persons in receipt of pensions under the act".

2. (a) Saskatchewan, $2.50 a month; (b) Alberta, $7.50 a month (a bill has been introduced during the present session of the legislature to increase the supplementary allowance to $10 a month); (c) British Columbia, $10 a month.

3. Only in the province of Saskatchewan. Authority is an order in council of the government of the province of Saskatchewan, passed with effect as of May 1, 1949.

4. Provincial government.

5. On March 21, 1950, the legislature of the province of Saskatchewan rejected by a vote of 25 to 22 an amendment to a government motion, the text of which reads as follows:

"This assembly regrets the failure by the government to give due consideration to payment by the province of the supplementary

old age pension allowance without a means test". (See *Votes and Proceedings* of the legislative assembly of the province of Saskatchewan, No. 24, March 21, 1950.)

HEALTH GRANTS—TUBERCULOSIS CONTROL—X-RAY EQUIPMENT

Mr. Jutras:

How much has the federal government approved, by provinces, under the tuberculosis control grant for the purchase of X-ray equipment for the purpose of detecting tuberculosis?

Mr. Martin:

From April 1, 1948 (the effective date of the grant) to February 28, 1950:

Newfoundland	$ 19,273
Prince Edward Island	27,395
Nova Scotia	47,087
New Brunswick	165,959
Quebec	220,485*
Ontario	997,782
Manitoba	124,431
Saskatchewan	270,031
Alberta	9,263
British Columbia	435,325
Total	$2,317,031

*In addition, the Bruchesi Institute was allotted $230,215, a portion of which will be devoted to X-ray survey activities.

Mr. Cruickshank:

How much has the province of British Columbia been allotted under the tuberculosis control grant to purchase X-ray equipment for examination to detect tuberculosis?

Mr. Martin: From April 1, 1948 (the effective date of the grant) to February 28, 1950, $435,325.

Mr. Nixon:

What financial assistance has the federal government given to the province of Ontario under the tuberculosis control grant for the purpose of purchasing X-ray equipment for the detection of tuberculosis?

Mr. Martin: From April 1, 1948 (the effective date of the grant) to February 28, 1950, $997,782.

CELLOPHANE

Mr. Hatfield:

1. Is cellophane manufactured in Canada?
2. If so, by whom?
3. What quantity of cellophane was imported into Canada, and from what countries?
4. Are there any restrictions against the importation of cellophane into Canada?

Mr. Howe:

1. Yes.

2. Canadian Industries Limited, Shawinigan Falls, Quebec.

Questions

3. Cellophane is a registered trade name for a certain type of transparent paper and is not classified as such for statistical purposes.

4. No.

Mr. Knowles:

1. What firms or companies in Canada manufacture cellophane?
2. What firms or companies in Canada import cellophane?
3. From what firms or companies in what countries do they import the same?
4. What is the source of supply for firms in Canada engaged in the processing of cellophane into finished products?

Mr. Howe:

1. Canadian Industries Limited, Shawinigan Falls, Quebec.

2. Cellophane is a registered trade name for a certain type of transparent paper, and is not classified as such for statistical purposes. There are other types of transparent paper manufactured in Canada.

3. See answer to No. 2.

4. The basis ingredient used in the manufacture of transparent papers is sulphite pulp produced in Canada.

REHABILITATION PROJECTS, WINNIPEG

Mr. Knowles:

1. Did the federal government in 1945, or thereabouts, circulate a questionnaire seeking information as to construction or rehabilitation projects which might be undertaken as part of a post-war rehabilitation program for the purpose of providing full employment?
2. Was a copy of this questionnaire sent to the board of trustees of the school district of Winnipeg?
3. Did the board of trustees of the school district of Winnipeg respond thereto? If so, under what date?
4. What construction or rehabilitation projects did the Winnipeg school board certify in its response to such questionnaire?
5. Has any action been taken by the federal government in connection with projects recommended thereby?
6. Has the federal government received representations from the board of trustees of the school district of Winnipeg at any time this year urging the government to proceed with projects indicated in the answers to the above questions?
7. Has any action been taken in response to such representations? If not, when will such action be taken?

Mr. Howe:

1. The federal government in 1945 circulated a questionnaire seeking information as to construction or rehabilitation projects through the offices of the regional reconstruction control.

2. No record of whether a questionnaire was sent to the board of trustees of the school district of Winnipeg to be found in public project branch records.

Questions

3. Questionnaires printed by municipality of Winnipeg were filed with Major-General J. P. Mackenzie, controller construction, through Mr. Ferguson, regional representative construction control, on July 25, 1945.

4. Projects filed by school district of Winnipeg: Aberdeen No. 1 (Salter and Stella) replace school, $272,375; Argyle school (Argyle and Henry), $140,600; Pinkham school (Pacific and Rietta), $190,000; Somerset school (Sherbrook), $190,000; Norquay No. 1 (Euclid and Lusted), $187,750; Gladstone (Corydon and Osborne), $187,500; Mulvey (Broadway and Maryland), $262,500; Machray No. 1 (Mountain and Charles), $250,000; Isbister (Ellice and Vaughan), $175,000; Alexandra school (Edmonton and St. Marys), $175,000; Strathcona school (McGregor and Burrows), $275,000; Fort Rouge (River and Mayfair), $112,500.

5. In a letter dated November 5, 1945, to the Hon. S. S. Garson, then premier of Manitoba, the then acting prime minister, Right Hon. J. L. Ilsley, stated:

"No special federal assistance is planned in this connection. In respect of planning or timing grants you will recall that the dominion brief states that these will not apply to maintenance, repair or local improvement. Further, in view of the wide variation in school and university systems, and the different relationships and positions of public and private educational undertakings in Canada, it does not appear desirable for the federal government to undertake financial assistance in this sphere".

6. No record.

7. Answered by No. 6.

OLD AGE PENSIONS

Mr. Isnor:

1. What is the total number of those now receiving old age pensions?

2. How many (a) males; (b) females?

3. At our present 1950 population and at the rate of $40, what would it cost Canada to pay (a) old age pensions to males at seventy; (b) females at sixty-five years?

Mr. Martin:

1. As at December 31, 1949:—Old age pensions, 277,031; blind pensions, 10,232; total, 287,263.

2. (a) Approximately one-half (exact figures not available).

(b) Approximately one-half (exact figures not available).

3. (a) and (b) Estimates of the cost of paying pensions of various amounts have been made for the years 1951, 1961 and 1971 (see page 640, *Hansard* of March 10, 1950). Intercensal estimates have been made for 1949 but not for 1950. The intercensal estimates for 1950 will not be available for some time. It is not clear whether the question refers to pensions payable with or without a means test. Assuming that the question refers to the cost of paying pensions at the rate of $40 a month to all males seventy years of age and over and to all females sixty-five years of age and over without a means test, the estimated cost for 1951 would be $163,392,000 for males and $257,616,000 for females, or a total of $421,008,000.

Mr. Boisvert:

1. What was the total amount paid out by the federal government to the government of the province of Quebec on account of the Old Age Pensions Act, from (a) 1940 to 1945; (b) 1945 to 1950?

2. What was the total number of people who received the old age pension in the province of Quebec, from (a) 1940 to 1945; (b) 1945 to 1950?

3. In what year did the parliament of Canada increase the monthly pension, and what was the increase?

Mr. Martin:

1. (a) 1940-41 to 1944-45:

Old age pensions	$39,932,233.59
Blind pensions	2,063,758.06
Total	$41,995,991.65

(b) 1945-46 to 1949-50:

Old age pensions	$75,607,307.94
Blind pensions	4,227,294.39
Total	$79,834,602.33

2. (a) As at March 31:

	Old Age Pensions	Blind Pensions	Total
1941	48,000	1,947	49,947
1942	47,338	2,079	49,417
1943	47,045	2,173	49,218
1944	47,153	2,250	49,403
1945	49,289	2,425	51,714
(b)			
1946	51,567	2,568	54,135
1947	54,489	2,709	57,198
1948	59,204	3,178	62,382
1949	64,366	3,544	67,910
1950	69,017	3,869	72,886

3. 1943—Maximum pension increased from $20 to $25 a month; 1947—maximum pension increased from $25 to $30 a month; 1949—maximum pension increased from $30 to $40 a month.

INCOME TAX—FARMERS—CHECKS AND INVESTIGATIONS

Mr. Thatcher:

How many persons were employed by the Department of National Revenue in checking on and investigating farmers' income tax in (a) Saskatchewan; (b) Manitoba; (c) Alberta; (d) Quebec, on March 1, last?

Mr. McCann: The number of persons employed by the taxation division, Department of National Revenue, as at March 1, 1950, in checking and investigating farmers' income tax returns, in the four provinces mentioned in the question, are as follows:

(a) Saskatchewan, 54; (b) Manitoba, 32; (c) Alberta, 52; (d) Quebec, 25; total, 163.

COMBINES INVESTIGATION ACT—FLOUR MILLING INDUSTRY

Mr. Diefenbaker:

In the opinions given by Mr. J. J. Kelly, K.C., Winnipeg and Mr. T. N. Phelan, K.C., Toronto, did either or both recommend proceedings to be taken against the alleged milling combines under either the Combines Investigation Act or the Criminal Code?

Mr. Garson: What is sought by this question is the disclosure of legal opinions recommending that proceedings should or should not be taken against the alleged flour milling combine. The question is inadmissible as it seeks information about matters which are in their nature confidential. Advice given to the crown by law officers and legal advisers falls in this category. Legal opinions given for the guidance of ministers should not be produced. The reason is of the same order as the rule that applies in the case of private individuals, namely, that legal opinions are confidential.

See Bourinot, page 250; May, fourteenth edition, page 337; Beauchesne's Parliamentary Rules and Forms, third edition, page 119 (see rules 295 and 310); second edition (1947) Introduction to the Procedure of the House of Commons, by Sir Gilbert Campion, page 151; Phipson on Evidence, eighth edition, page 188.

TELEVISION

Mr. Isnor:

1. Were tenders recently invited by the Canadian Broadcasting Corporation for studio equipment for television?
2. If so, what are the names and addresses of those who drew up the specifications?
3. Were public tenders advertised? If so, in what manner?
4. What was the closing date of tenders, and where were they received?
5. What are the names and addresses of those submitting tenders, and the amount of each tender?
6. What are the names and addresses of those whose tenders were accepted?
7. When is it expected that television, through the C.B.C., will be available to the public?

Mr. McCann:

1. Yes.

2. Canadian Broadcasting Corporation.

3. No.

4. March 27, at the CBC offices, Montreal.

5. Canadian General Electric Co., Toronto, Ont.; Canadian Marconi Co. Ltd., Montreal, P.Q.; Federal Electric Manufacturing Co. Ltd., Montreal, P.Q.; Marconi's Wireless Telegraph Co. Ltd., Chelmsford, England, through Canadian Marconi Co. Ltd., Montreal; Pye Limited, Cambridge, England, through Pye Canada Limited, Ajax, Ontario; RCA Victor Company Ltd., Montreal; Electric & Musical Industries Ltd., Hayes, Middlesex, England, was asked to make submissions, but none were received.

Amounts quoted are confidential.

6. No decisions have been made.

7. 1951.

UNEMPLOYMENT—SURVEY OF GOVERNMENT PROJECTS

Mr. Knowles:

1. By whom was the survey of the state of planning of government projects, federal, provincial, and municipal, referred to by the Prime Minister on February 20, 1950, made?
2. When was this survey made, on what date were the results thereof reported, and to whom?
3. What were the main findings of this survey?
4. Do any of these findings relate specifically to the "shelf concept?" If so, what are the terms thereof?
5. Are the detailed results of this survey available to members of parliament? If so, how may they be obtained?

Mr. Prudham:

1. By the economic research and development branch, Department of Trade and Commerce, with co-operation of the Department of Reconstruction and Supply.

2. From April to September, 1949. The results were summarized in the annual report of the Department of Reconstruction and Supply for the fiscal year ending March 31, 1949, page 506, tabled in parliament on November 14, 1949.

3. The main findings are included in the report referred to in the answer to No. 2.

4. Details of survey not a matter of public information.

5. Answered by No. 4.

CANADIAN FORCES IN NEWFOUNDLAND

Mr. Higgins:

1. What is the present strength, officers and men respectively, in Newfoundland, of (a) Royal Canadian Navy; (b) Royal Canadian Air Force; (c) Canadian army?
2. What reserve units of the said units are in Newfoundland?
3. What are the respective strengths of the reserve units?

Mr. Blanchette:

1.	Officers	Men	Total
(a) R.C.N.	3	8	11
(b) R.C.A.F.	22	291	313
(c) Army	9	43	52

Questions

2. The following reserve units are in the process of organization:

(a) R. C. N.—Naval Division—H. M. C. S. "Cabot".

(b) R.C.A.F.—Organization of a reserve flight is under consideration.

(c) Army—R.C.A. 166 (Nfld.) Regiment.

3. R.C.E. 56 Indep. Fd. Sqn.; R.C.I.C. Royal Nfld. Regiment.

	Officers	Men	U.N.T.D.	Total
(a) R.C.N.	11	20	26	57
(b) R.C.A.F. ..	—	—	—	—
(c) Army	3	40	—	43

NATIONAL RESEARCH COUNCIL—DEVELOPMENT OF NEW ELECTRONIC TUBE

Mr. Noseworthy:

1. Was the new electronic tube known as B.A.T. developed under the direction of the national research council?

2. If so, is this tube now being manufactured, and by whom?

3. Who controls the patent?

4. What is the manufacturing cost per tube?

5. What is the selling price per tube?

6. Are manufacturing rights available to companies other than the present manufacturer?

7. Are royalties being paid? If so, to whom?

8. What royalties, if any, are being paid to the national research council?

Mr. Howe:

1. The binary adder tube was developed under joint sponsorship of the national research council and the defence research board, at the computation centre, university of Toronto.

2. No. It is still in the development stage.

3. The Canadian Patents and Development Ltd., a crown company.

4. Unknown as yet.

5. Unknown as yet.

6. Tube not yet developed to manufacturing stage.

7. See answer to No. 6. Licensing agreement under negotiation.

8. See answer to Nos. 6 and 7.

COAL

Mr. Johnston:

1. What was the total production of coal in Canada during the years 1945, 1946, 1947, 1948 and 1949?

2. How much of this total production was produced in eastern Canada and how much in western Canada, during the years indicated?

3. How many tons of coal have been imported into Canada from the United States, during the years 1945, 1946, 1947, 1948 and 1949?

4. What was the total number of men engaged in the coal industry in western Canada, during these years?

5. What is the rate of subvention paid per ton on western coal shipped to eastern Canada?

[Mr. Blanchette.]

Mr. Howe:

1. Production of Coal in Canada:

	Tons
1945	16,506,713
1946	17,811,747
1947	15,868,866
1948	18,449,689
1949	19,109,747

2. Production of coal in eastern Canada and in western Canada:

	Eastern Canada	Western Canada
	(tons)	
1945	5,473,799	11,032,914
1946	5,823,523	11,988,224
1947	4,463,390	11,405,476
1948	6,952,927	11,496,562
1949	6,716,901	12,392,846

3. Imports of coal from United States:

	Anthracite	Bituminous	Lignite
	(tons of 2,000 pounds)		
1945 ..	3,384,357	21,648,344	467
1946 ..	4,529,891	21,474,956	172
1947 ..	4,230,022	24,608,522	173
1948 ..	5,082,483	25,614,233	14,632
1949 ..	3,618,490	18,228,699	16,547

4. Number of employees in the coal mining industry in western Canada:

1945	11,445
1946	11,442
1947	11,531
1948	11,015
1949	11,415

5. The rates of subvention payable on western coal shipped to Ontario and Quebec are fixed by order in council P.C. 3538 of August 25, 1948 in respect of coal mined in Alberta and the Crowsnest pass area of British Columbia and by order in council P.C. 3539 of August 25, 1948 in respect of coal mined in Saskatchewan.

The following respective average rates per ton were paid during the calendar year 1949 by way of subvention for coal shipped to Ontario and Quebec from each of the following provinces:

Saskatchewan	Alberta	British Columbia
$0.68	$2.17	$1.70

HEALTH INSURANCE STUDIES

Mr. Knowles:

1. What phase or phases of health insurance were studied, during each of the years noted, by each employee of the Department of National Health and Welfare reported on March 16, 1950, as having worked on health insurance studies, during the fiscal years ending in 1946, 1947, 1948, 1949 and 1950?

2. Which of the employees noted, during each of the above years, did health insurance studies work that was primarily work in connection with the administration of health grants?

Questions

3. Which of the employees noted, during each of the above years, did health insurance studies work that was primarily a study of health insurance itself, with particular reference to the possibility of the same being inaugurated in Canada?

4. Which of the employees noted, during each of the above years, did research work on other phases of social security, including old age pensions, and also on the possibility of inaugurating in Canada a program of over-all social security?

Mr. Martin:

1. It is not possible to state in exact detail the various aspects of health insurance which have been assigned for study to each employee of the Department of National Health and Welfare during the years 1946-50. This study of health insurance in all its phases is carried on as a joint undertaking involving many employees of the department generally, and in particular members of the research division and the division of health insurance studies. No one employee of the department carries on his work in complete isolation from the others.

2 and 3. Prior to May 14, 1948—none. Since May 14, 1948, certain of the employees in the health insurance studies division and elsewhere in the department have devoted considerable portions of their time to work connected with the administration of the national health program, which, as stated by the former prime minister on May 14, 1948, is considered "a fundamental prerequisite to health insurance". All the work that has been undertaken, whether related to the administration of health grants or not, has particular reference to the possibility of health insurance being inaugurated in Canada.

4. See answers given to questions asked by Mr. Knowles on March 16 relating to old age security.

RAILWAY MILEAGE IN PRAIRIE PROVINCES

Mr. Gauthier (Portneuf):

What is the railway mileage in (a) Manitoba; (b) Saskatchewan; (c) Alberta?

Mr. Howe:

Single track mileage, end of 1948: Manitoba, 4,835·6 miles; Saskatchewan, 8,738·3 miles; Alberta, 5,643·2 miles.

MONTAGUE, P.E.I., POST OFFICE BUILDING

Mr. Kickham:

What steps have been or are being taken to erect a post office building at Montague, Prince Edward Island, this year?

Mr. Fournier (Hull): No steps have been or are being taken to erect a public building at Montague, P.E.I.

HEALTH GRANTS—CONSTRUCTION OF HOSPITALS

Mr. Matthews:

1. What is the total number since the national health grants program started, by provinces, of new general hospitals toward the construction of which financial assistance has been or is being given by the federal government under the hospital construction grant?

2. What is the total bed capacity, by provinces, of such hospitals?

3. What population, by provinces, will be served by these hospitals?

Mr. Martin:

1. Number of general hospitals: Prince Edward Island, 1; Nova Scotia, 10; New Brunswick, 2; Quebec, 17; Ontario, 28; Manitoba, 22; Saskatchewan, 31; Alberta, 4; British Columbia, 4. Total, 119.

2. Total bed capacity: Prince Edward Island, 6; Nova Scotia, 415; New Brunswick, 11; Quebec, 1,762; Ontario, 1,623; Manitoba, 304; Saskatchewan, 593; Alberta, 114; British Columbia, 235. Total, 5,063.

3. Estimated population served: Prince Edward Island, 4,000; Nova Scotia, 115,725; New Brunswick, 8,000; Quebec, 1,055,910; Ontario, 1,590,843; Manitoba, 109,000; Saskatchewan, 184,792; Alberta, 18,265; British Columbia, 56,500. Total, 3,143,035.

HEALTH GRANTS—PROFESSIONAL TRAINING

Mr. Rooney:

With the federal assistance provided under the professional training grant or other grants in the national health grants program, how many persons, by categories, have been or are receiving training since the program started?

Mr. Martin:

Medical personnel other than psychiatrists		146
Public health	27	
Radiologists	9	
Pathologists	12	
Other	98	
Mental health personnel		228
Psychiatrists	78	
Psychologists	41	
Mental health nurses	56	
Psychiatric social workers	53	
Dentists		6
Nurses		476
Teachers	17	
Supervisors	113	
Public health	224	
Others	122	
Sanitary engineers		12
Sanitary inspectors		75
Veterinarians		12
Therapists		8
Technicians		116
Health educators		39
Nutritionists		9
Social workers		23
Clerical and stenographic		9
Other		260
Total		1,419

Questions

HEALTH GRANTS—PERSONNEL EMPLOYED BY PROVINCES

Mr. MacDougall:

In addition to those persons who are receiving a training under the professional training grant or other grants in the national health grants program, how many health personnel are employed by the provinces under the program?

Mr. Martin: Medical personnel other than psychiatrists, 312; mental health personnel, 205; dentists, 22; public health nurses, 333; sanitary engineers, 5; sanitary inspectors, 50; veterinarians, 6; therapists, 54; laboratory technicians, 187; health educators, 28; nutritionists, 18; social workers, 44; clerical and stenographic, 261; others, 384; total, 1,909.

HEALTH GRANTS—MENTAL HEALTH CLINICS

Mr. Winkler:

1. By provinces, how many mental health clinics have been established from funds made available to the provinces under the mental health grant by the federal government?

2. What population do they serve?

Mr. Martin:

1. Number of clinics: Prince Edward Island, 1; Nova Scotia, 2; New Brunswick, 1; Quebec, 15; Ontario, 4; Manitoba, 3; Saskatchewan, 3; Alberta, 1; British Columbia, 1; all provinces, 31.

2. Estimated population served: Prince Edward Island, 15,000; Nova Scotia, 120,000; New Brunswick, this clinic—a travelling mental health unit—is in the embryonic stage. It is intended to serve the entire population of the province when fully developed; Quebec, 1,700,000; Ontario, 500,000; Manitoba, 350,000; Saskatchewan, 100,000; Alberta, 100,000; British Columbia, 100,000; total, 2,985,000.

In addition to the above—(a) equipment has been supplied to the following already existing clinics:

Ontario: Brockville, Whitby, Fort William.

British Columbia: Child guidance clinic, Vancouver; child guidance clinic, Victoria; one travelling clinic; crease clinic, Essondale.

(b) Additional staff and facilities have been provided for clinics in Winnipeg, Toronto, Niagara peninsula, Vancouver.

BONAVENTURE, QUE., HARBOUR FACILITIES

Mr. Courtemanche:

1. Did the Department of Public Works make any repairs to the protection, fishing and wharf facilities in front of the Charles A. Forest property at Bonaventure, Bonaventure county, between December 1, 1949, and February 15, 1950?

2. If so, what was the total cost of same?

3. Who was the foreman, what was his daily rate of pay, and how long did he work?

Mr. Fournier (Hull):

1. Yes.

[Mr. Martin.]

2. $737.63.

3. (a) John Goulet.

(b) $8 a day.

(c) December 15, 1949, to January 3, 1950.

CANADIAN RESIDENTS EMPLOYED IN THE UNITED STATES—INCOME TAX—CHARITABLE DONATIONS AND COST OF U.S. FUNDS

Mr. Brown (Essex West):

1. Are persons residing in Canada, but working in the United States of America, and having their chief source of income therein, allowed exemptions from income tax for charitable donations made in the said United States of America?

2. Does the United States allow similar exemptions for residents of that country working in Canada?

3. If not, have any negotiations been instituted for reciprocal legislation, and with what result?

4. Are Canadian residents having their chief source of income from the United States allowed exemptions on the exchange in converting American money into Canadian, for expenses necessarily made in earning their said income in the United States?

Mr. McCann:

1. No.

2. No authoritative opinion can be given on the tax laws of the United States. From the information obtained, it would appear that the United States would not allow as a deduction a specific claim for a donation to charity made in Canada.

3. This item was included in discussions with United States officials exploring the possibility of amendments to the present tax convention between the United States and Canada, but no conclusion has, as yet, been reached.

4. Any amount expended in the United States which is an allowable deduction in computing income under the Income Tax Act would necessarily be converted to Canadian currency at the official current rate of exchange.

CIVIL SERVICE SUPERANNUATION

Mr. Brown (Essex West):

1. On what basis are civil servants superannuated, and at what age?

2. Have any steps been taken to provide an increase in the superannuation allowance paid to civil servants?

3. Have any proceedings been taken to provide a cost of living bonus for superannuated civil servants?

4. If not, for what reasons?

Mr. Belzile:

1. Civil servants are superannuated on account of age, ill-health or abolition of position. Civil servants may retire voluntarily at sixty and normally must retire at sixty-five.

2. No.

3. No.

Questions

4. The government's policy in connection with the granting of a cost of living bonus to superannuated civil servants has been stated many times in the House of Commons by the Minister of Finance, and in particular on January 28, 1949 (see *Hansard* for that date, page 42).

DISPOSITION OF SURPLUS BERRIES, YARROW, B.C.

Mr. Johnston:

1. How much money did the berry growers of Yarrow, British Columbia, receive from the Department of Agriculture and/or any other government department for the 1947 and 1948 crop of berries, which until May, 1949, lay in surplus at the co-operative packing plant at Yarrow?

2. How was this berry pulp disposed of, and by whom?

3. How much money was recovered by the government from any sale or sales of these berries?

Mr. McCubbin:

1. $371,512.51 was paid to Consolidated Coast Growers, Abbotsford, British Columbia, and distributed by them to their shipping members, including the berry growers at Yarrow. Details of payments to Yarrow berry growers by Consolidated Coast Growers are not on record with the government.

2. Sold to British ministry of food through the special products board.

3. $100,000.

ELDORADO MINING AND REFINING COMPANY

Mr. Wright:

1. Has the Eldorado Mining and Refining Company made a profit or loss in the years 1947, 1948, 1949?

2. What is this profit or loss per pound on the uranium extracts of the purity required under the legislation or regulations governing sale of these extracts by private corporations?

Mr. Howe:

1. Eldorado Mining and Refining (1944) Limited earned a profit in 1947 of $1,177,005.25 and a profit in 1948 of $1,336,015.39. The company's financial statements for 1949 have not had final approval. When the statements have been audited, they will be contained in the annual report of the company which will be tabled in the House of Commons.

2. Sales of uranium by Eldorado Mining and Refining (1944) Limited are covered by contracts which are subject to security regulations. It is not possible, therefore, to disclose the profit per pound or unit sold.

HEALTH INSURANCE—ESTIMATED COSTS

Mr. Knowles:

1. Is the estimated cost of health insurance benefits indicated on page 53 of the health, welfare and labour reference book for the 1945 dominion-provincial conference as $248,178,000 still regarded as a good estimate?

2. If not, what is the revised estimate?

3. What is the distribution of the figure given in answer to question 2 amongst the services indicated in the estimate referred to in question 1?

Mr. Martin:

1. No.

2 and 3. The question of cost estimates for health insurance is under constant review and no figures can be considered as final for the time being.

CIVIL SERVICE SUPERANNUATION FUND

Mr. Blackmore:

As at the end of the fiscal year ending March 31, 1950, what is the amount of the civil service superannuation fund?

Mr. Belzile: The books of the government for the fiscal year ended March 31, 1950, are not yet closed. The balance in the superannuation account at February 28, 1950, was $94,834,517.25.

HIGHLAND NATIONAL PARK, NOVA SCOTIA

Mr. Black (Cumberland):

1. How much expenditure was made on the Highland national park in Nova Scotia, in each of the years 1948 and 1949?

2. What was expended under contract in each year, and who were the contractors?

3. What was paid for maintenance in each of the years 1948 and 1949?

Mr. Prudham:

1. Total expenditure:

1948	$673,000.75
1949	672,539.74

2. Fundy Construction Co., Ivyville St., Halifax, N.S.:

1948	$406,153.93
1949	436,591.60

John C. McMillan Ltd., North Sydney, N.S.:

1949	$8,927.19

M. R. Chappell, Sydney, N.S.:

1948	$24,713.10
1949	3,105.90

3. Maintenance:

1948	$124,771.35
1949	174,426.94

SHIPBUILDING—OWEN SOUND TRANSPORTATION COMPANY

Mr. Diefenbaker:

1. Has the Owen Sound Transportation Company, Limited, since the first of January, 1946, and to date, received any financial assistance, advances or credit directly or indirectly in connection with the building by said company or any subsidiary thereof of a ship or ships at Collingwood, Ontario?

2. If so, to what extent, and on what terms?

3. Has the government leased any of the said ships from the said company? If so, on what terms?

Questions

4. Are there any agreements between the said company and the government for the purchase and sale of any of the said ships? If so, what are the terms thereof?

Mr. Chevrier:

1. Yes.

2. (a) On October 18, 1946, annual subsidy of $35,000 was increased to $65,000 to assist the company in meeting the considerably increased cost of maintaining essential services between Owen Sound, ports on Manitoulin island and Sault Ste. Marie, including the car ferry service between Tobermory and South Baymouth, and to assist the company in the operation of a new vessel, S.S. *Norisle*, built at Collingwood shipyards in 1946, which replaced an over-age vessel which had been condemned by the Department of Transport as no longer fit for service. S.S. *Norisle* was brought into service on October 18, 1946.

(b) On April 1, 1949, annual subsidy of $65,000 was increased to $100,000 to assist in the maintenance of the services in (a) above the costs of which had increased since 1946 and also to assist in the replacement of another over-age vessel, the S.S. *Manitoulin*, which had been condemned by the Department of Transport as no longer fit for service. The new vessel S.S. *Norgoma*, built at Collingwood shipyards, is nearing completion and will commence her service at the opening of navigation this year. Contract with the company is for a period of fifteen years, and contains a recapture clause on a sliding scale to the full amount of the annual subsidy. The first season of operation under this contract ended December 31, 1949, and the company has refunded the sum of $35,255.85 under the recapture clause. In effect therefore government assistance in 1949 was reduced, and as a new ship with increased earning capacity is now coming into service, there is every prospect of increased refunds in successive years.

3. No.

4. No.

CANADIAN BROADCASTING CORPORATION—PRIVATELY-OWNED STATIONS—NETWORK SERVICE

Mr. Benidickson:

1. What privately-owned radio stations were added to the Canadian Broadcasting Corporation networks during the past fourteen months?

2. What type of network service is provided to each?

3. What privately-owned radio stations at present are assessed a line charge for network affiliation service, and what is the annual assessment in each case?

[Mr. Diefenbaker.]

Mr. McCann:

1 and 2. CHLO St. Thomas, Ont., Trans-Canada, supplementary "A"; CKBW Bridgewater, N.S., Trans-Canada, supplementary "A"; CJIB Vernon, B.C., Dominion, supplementary "A"; CKLD Thetford Mines, P.Q., French, supplementary "A"; CJNT Quebec city, P.Q., Trans-Canada, supplementary "A".

3. CFJM Brockville, Ont., $1,000.00; CJFX Antigonish, N.S., $1,108.80; CFOR Orillia, Ont., $2,052.00; CKPG Prince George, B.C., $3,101.25; CJFP Riviere du Loup, P.Q., $1,892.17; CHOK Sarnia, Ont., $4,225.30; CHNO Sudbury, Ont., $1,892.17; CHAT Medicine Hat, Alta., $1,892.17; CHLO St. Thomas, Ont., $2,886.73; CKBW Bridgewater, N.S., $2,977.67; CJIB Vernon, B.C., $4,000.00; CHLT Sherbrooke, P.Q., $8,170.33; CKLD Thetford Mines, P.Q., $6,802.81; CJNT Quebec city, P.Q., $1,892.17.

NATIONAL HEALTH—SICKNESS SURVEY

Mr. Studer:

1. Is the Department of National Health and Welfare making plans for the carrying out of a sickness survey by the provinces throughout Canada?

2. If so (a) what information will be sought by this survey; (b) by whom will the survey be conducted; (c) how will this survey be paid for; (d) when will the survey be carried out?

Mr. Martin:

1. Yes.

2. (a) (i) The total volume of illness in Canada by provinces including rates for the more common diseases such as: respiratory diseases, digestive diseases, communicable diseases, rheumatism and related diseases, female genital and puerperal conditions, skin diseases, accidental injuries.

(ii) The volume of disability.

(iii) The amount of medical care and of other types of health care received for the reported volume of sickness.

(iv) The volume of preventive services carried out by private practitioners.

(v) Indication as to the unmet needs for service and care.

(vi) Expenditures incurred to the public for various types of health care.

(b) The survey will be conducted by the provinces, assisted by the Department of National Health and Welfare and by the dominion bureau of statistics in relation to statistical problems involved.

(c) The funds that each province may require for the conduct of the sickness survey will be made available by the federal government under the national health grants program.

(d) The survey will commence at the discretion of the provinces. It is expected that it will start in April or May, 1950, and will be conducted over a twelve-month period.

CANADIAN BROADCASTING CORPORATION—RADIO TRANSMITTERS

Mr. Benidickson:

1. At what locations have relay radio transmitters been established by the Canadian Broadcasting Corporation in the past eighteen months?
2. To what station is each a satellite?
3. What was the cost of establishing each?
4. During the past five years at what locations have private radio broadcasting stations established satellite radio transmitters?

Mr. McCann:

1. Field, B.C.; Foleyet, Ont.

2. CBR Vancouver and CBL Toronto.

3. CBRD Field, $2,113.00; CBRL Foleyet, $3,017.16.

4. To be answered elsewhere.

TRANS-CANADA HIGHWAY—NOVA SCOTIA AND NEWFOUNDLAND

Mr. Black (Cumberland):

1. Has an agreement been entered into with the government of Nova Scotia, for (a) the construction of the trans-Canada highway passing through Nova Scotia; (b) an extension of the trans-Canada highway to serve Newfoundland?
2. If so, what was the date of such agreement?
3. What are the routes in Nova Scotia, stating the termini and the main towns through which these highways will pass?
4. When is it expected that construction work in Nova Scotia will commence?
5. Will construction be done by contract?

Mr. Prudham:

1. (a) No contract has been signed between the federal government and the government of Nova Scotia for the construction of the trans-Canada highway passing through Nova Scotia.

(b) No.

2. Answered by No. 1.

3. Answered by No. 1.

4. Answered by No. 1.

5. Answered by No. 1.

CANADIAN BROADCASTING CORPORATION—FORT FRANCES, ONT., RENTALS AND FEES

Mr. Benidickson:

What was the amount of (a) line charge rentals; (b) commissions and fees, collected by the Canadian Broadcasting Corporation during 1948 and 1949, from the Fort Frances, Ontario, radio station, for specially arranged Canadian Broadcasting Corporation network programs?

Mr. McCann: (a) None; (b) none.

TUFTS COVE, N.S., PUBLIC BUILDING

Mr. Black (Cumberland):

1. Is the dominion government giving preference to building materials imported into Nova Scotia, rather than specifying such materials produced in that province, in connection with government contracts?
2. If so, for what reason?
3. Does this policy apply to building being carried on at Tufts Cove, Nova Scotia, by the federal government?

Mr. Prudham:

1. No.

2. Answered by No. 1.

3. Answered by No. 1.

QUESTION PASSED AS ORDER FOR RETURN

IMMIGRATION—CHINESE

Mr. Diefenbaker:

1. How many applications by Chinese Canadian citizens have been made month by month since the first of January, 1949, for the admission of wives and children?
2. In how many cases were the applications turned down?
3. At what age are sons and daughters of Chinese Canadian citizens denied admission?
4. Have any been admitted over such designated age since the first of January, 1949? If so, how many?

MOTIONS FOR PAPERS

MOTOR VEHICLES—IDENTIFICATION FORMS REQUIRED AT BORDER POINTS ON LEAVING CANADA

Mr. Diefenbaker:

For a copy of orders, directives and instructions issued or forwarded to the custom officials at boundary points since the first day of February, 1950, and to date, and amendments thereto in connection with the alteration of the regulations regarding the completion of entry forms for Canadian motorists visiting the United States.

BONAVENTURE, QUE., HARBOUR FACILITIES

Mr. Courtemanche:

For a return showing a copy of the payrolls, and a list of the materials used in connection with the repairs to the protection, fishing and wharf facilities in front of the Charles A. Forest property at Bonaventure, Bonaventure county, between December 1, 1949, and February 15, 1950.

COMPOSERS, AUTHORS AND PUBLISHERS—TARIFFS, FEES, ETC.

Mr. Black (Cumberland):

For a copy of all evidence taken by or given before the copyright appeal board in connection with the application of the Composers, Authors and Publishers Association of Canada, Limited, Toronto, for an increase in the tariffs in each of the years 1949 and 1950, to date, together with a copy of the reasons given by the said board for increasing the said tariffs.

Divorce Laws

DIVORCE

MOTION FOR SPECIAL COMMITTEE TO CONSIDER ENLARGEMENT OF GROUNDS

Mr. David A. Croll (Spadina) moved:

That, in the opinion of this house, early consideration should be given to the advisability of setting up a special committee of the house to consider amendments to our divorce laws, and enlarging grounds for divorce to include desertion of more than three years; gross cruelty; incurable mental disease after five years, and legal presumption of death.

He said: Mr. Speaker, first I think I should say to the house that I have no special interest in divorce, but I feel that in presenting this resolution I am performing a necessary public service; and I speak today from the highest motives. My purpose in bringing forward this matter is that consideration may be given to a law of the land which in my opinion requires improvement and clarification.

The problem of divorce has social implications, and I do not think we can afford to perpetuate a blind spot with respect to this very important and vexing question. Like other hon. members I am a little tired of going through this make-believe process, as we did today, of passing, by number and en bloc, divorce bills about which we know nothing and care less. I have often asked myself why we should be called upon to sit in hasty moral judgment upon this husband and that wife, whose names reach us only in the titles of the acts sent from another house, but whose whole future we are called upon to decide in a casual moment when we give unconsidered assent to the passage of a bill of divorcement. Again, why should we in this house be required to accept the role of silent, uninformed accomplices, but decisive ones? I wonder whether that is our conception of the high duties we are sent here to perform.

In saying what I do I cast no reflection upon the Senate committee on divorce. They deal with each case fully, sympathetically and intelligently, and the justice meted out there is equal to that obtained in the courts of this country. But I do hope something will come of the bill that has been introduced by another hon. member, which would transfer these matters to the exchequer court.

It has been almost a decade since this house has had an unemotional discussion of divorce matters. In 1938 a divorce bill was passed by the Senate which contained almost the same

grounds now proposed in this resolution. That bill passed the Senate on May 18 of that year, and I read from section 6:

A petition for divorce may be presented either by the husband or the wife to, and it may be entertained by, the court, on the ground that the respondent:

(a) has since the celebration of the marriage committed adultery; or

(b) has deserted the petitioner without cause for a period of at least six years immediately preceding the presentation of the petition; or

(c) has since the celebration of the marriage treated the petitioner with cruelty; or

(d) is incurably of unsound mind and has been continuously under care and treatment for a period of at least five years immediately preceding the presentation of the petition.

(2) A petition for divorce may be presented by the wife to, and it may be entertained by, the court, on the ground that her husband has, since the celebration of the marriage, been guilty of rape, sodomy or bestiality.

This bill passed the Senate and came to the House of Commons, where it finally obtained a sponsor. Then the hon. member for Fort William (Mr. McIvor) moved that the bill be not now read a second time but that it be read this day six months. The house divided on that motion, which was carried by a vote of 102 to 53, and the bill was shelved. Of the 102 members who voted to shelve the bill, twenty-three are still members at the present time; and of the fifty-three who voted in favour of the bill, fifteen are still members. It is curious that though the voting took place on a Tuesday, many hon. members were inadvertently absent. Because of those circumstances I feel the house will forgive me if I give a bit of background material in order that members may more fully appreciate what is intended.

It is fair to say that Canada's divorce laws are among the most restricted in the western world, and I think reforms are long overdue to remedy the grievances that exist under these iron-clad laws. In order to appreciate the shortcomings of our present legislation I should like to refer briefly to the history of divorce in England, upon which our Canadian laws are based.

In 1857 the Matrimonial Causes Act set up a separate court of divorce administering generally the law as it had developed from the ecclesiastical courts. The court was empowered to grant a divorce for the wife's adultery but not for the husband's, unless it was aggravated by cruelty, desertion, and other graver offences. That law was amended in 1858, 1859, 1860, 1868 and 1870, and remained in that form until 1937.

Some time in 1908 a British royal commission on divorce was set up, which in 1910 brought in six recommendations. The first

recommendation was that the sexes be placed on an equal footing, and then the commission went on to recommend that the grounds for divorce be broadened to include the following five: first, wilful desertion for three years; second, cruelty; third, incurable insanity where the insane spouse has been confined for five years; fourth, drunkenness persisting for three years after a separation order has been made on that ground; fifth, imprisonment after a commuted death sentence. Two of the proposals of the royal commission of 1910, those concerning incurable drunkenness and imprisonment after a commuted death sentence, still have not been made grounds for divorce in Britain.

The law of England as of 1870 has been introduced in Ontario, Manitoba, Alberta, Saskatchewan, British Columbia and Prince Edward Island. Quebec, and I believe Newfoundland, have no divorce courts, the law being that of England prior to 1857, when divorce was unknown except by act of parliament. Thus divorce petitions from Quebec, and Newfoundland, will be addressed to the Senate divorce committee. In Nova Scotia and New Brunswick, divorce has been under the supreme court since before confederation. This jurisdiction was preserved by section 129 of the British North America Act. It may be said that the right to deal with divorce "came with the ratios," so to speak, or along with other laws; but I think it significant for this house to bear in mind that in 1930 the House of Commons deliberately passed a law dealing with divorce as applicable to the province of Ontario.

We have so far adopted only one of the recommendations of the 1910 royal commission in England, that of placing the sexes on an equal footing. In the matter of divorce, our standards today are virtually those of 1870; we are eighty years out of date. Adultery is the only ground for divorce, except in Nova Scotia, where an old pre-confederation statute of 1866 makes provision for cruelty as a ground for divorce. In practice, there are two grounds for divorce in this country, adultery and perjury. To date, the Gallup poll has not indicated which of these two is more popular, but the Kinsey report does. As a matter of fact, either adultery or perjury is evidence under our divorce laws, but there is an important distinction. If adultery is the basis of the suit it must become public, otherwise it does not "pay off" in the divorce court. If perjury is the basis of the suit it must not become public, because it "pays off" only too well if the participants are caught by our courts.

Divorce Laws

In 1937, the law of England was amended to include cruelty, desertion, and incurable insanity as grounds for divorce. Canada, in general, has failed to recognize officially that cruelty, desertion or incurable insanity can destroy the meaning of marriage just as surely as adultery by one of the parties.

I think it is well for us to see what has been the record of divorce in this country as to numbers. In 1903, there were only 23 divorces granted in Canada. In 1918 there were 114; 1930, 875; 1935, 1,376; 1940, 2,369; 1945, 5,076; 1946, 7,683; 1947, 8,199; 1948, 6,881, a drop of sixteen per cent; in 1949, there were 5,911, a further drop of fourteen per cent. These are not very pleasant figures to read, I must admit; nevertheless the drop in the last two years is heartening. We all hope the number will continue to drop. I do not know the reason for these divorces, but the best qualified people say they are, in the main, due to hasty marriages, long separation, wartime desertion, urbanization and lack of housing.

I do not want this house to get the wrong impression. My thesis is that the enlargement of the grounds for divorce will not increase the number of divorces. I hope it may decrease the number of divorces. What I am trying to do is to have divorce placed on an honest basis, because divorce is simply the process of unmarrying people who have been married. It is a release from the legal effect of a marriage contract. It is official recognition that the marriage is a failure, and marriages do fail. Divorce is the result of that failure, not the cause of it. I know there are many here who believe a marriage cannot be dissolved, and that is what I was taught. Nevertheless divorce is recognized in this country, and no one need partake or indulge in divorce unless he or she so desires. In common with many social issues, the question of divorce is fraught with misunderstanding and deep personal and religious opinion. I believe we must try to keep a fair and unclouded mind on this issue.

It is true that divorce was less prevalent in former days than it is today. This was partly due to the stigma which was attached to divorced persons in the comfortable and conforming Victorian era, and partly due to the unemancipated position of married women at that time. I think it is fair to assume that the proportion of the unhappy and mismated married couples was not less in the nineteenth century than it is today, but because of the prejudice towards divorced persons and the cumbersome and expensive procedure involved, divorce was less frequent.

Divorce Laws

I am free to admit that there have been abuses from time to time in some foreign jurisdictions. In general most countries, while recognizing the necessity for divorce, have limited its application and hedged it about with legal and social safeguards. Up to a point no reasonable person can disagree with this practice. The family is the fundamental unit of our society. Factors tending to weaken the social fabric must be kept within controllable limits. Yet we cannot lose sight of the complexity of the problem. I have found no better statement of this than in the words of Mr. Justice Adamson, of Manitoba, in the 1945 case of Thomas *v.* Thomas, 2 Western Weekly Reports, 379, at page 381:

> People do make mistakes in marriage and discover too late that they cannot live together, and so separate. Under the law as it is at present, such persons cannot be divorced and given a chance to start over again upon a respectable basis unless one of the spouses commits adultery, which, by some means, not only comes to the notice of the other spouse, but actual evidence of which also comes into the hands of the other spouse; or unless they manufacture a set of circumstances upon which the court is asked to find that adultery has taken place. This means that respectable persons who neither commit adultery nor perpetrate a fraud upon the court are without relief. The law gives relief to persons when one spouse commits adultery or engages in fraud; the law thus puts a premium on adultery and fraud. Is this in the national interest? Would it not be in the national interest to provide that upon separation for say two years or upwards, after a genuine attempt to live together as man and wife, a divorce might be granted upon such terms (perhaps) as should be considered just? To make an isolated act of adultery the sole and only cause for divorce is wrong in principle and vicious in practice.
>
> It is time that the whole matter was considered by the responsible legislative authority. The sham which takes place in the courts in many of these matters should be put an end to.

I believe one thing is clear, and that is that we cannot legislate marital happiness. From the social point of view the goal is not to make divorce easier, but to make it unnecessary. This involves a long campaign of education in which the church, schools, and social organizations all have parts to play. Until the work of social education can bear fruit we must make it possible, in those cases where divorce is the only solution to a bad marriage, for the parties involved to sever their relationship honourably and with decency. As the learned judge whom I quoted said, unless one of the spouses commits adultery or perpetrates a fraud, he or she cannot regain freedom. If the marriage has become untenable or meaningless for other reasons, no relief is possible except on these very narrow grounds.

The most recent restatement of the recommendations of the British royal commission of 1910 was made at a meeting of the Canadian Bar Association in 1946. The Canadian Bar Association is composed of judges and lawyers from every province and every hamlet in the Dominion of Canada. They are responsible people. I looked up the record yesterday, and, from 1929 to 1930, Right Hon. R. B. Bennett was head of that association. From 1930 to 1932 the president was the present Prime Minister (Mr. St. Laurent). The bar association had as their president in 1945-46 Mr. E. K. Williams, now Mr. Justice Williams of the court of king's bench in Manitoba. In 1946, when this resolution was passed, the president was the Hon. J. C. McRuer of the Supreme Court of Ontario. Those lawyers who compose the bar association deal with those problems almost daily. They know the problem; they know its implications; and they do not make decisions lightly. So for that reason I commend what they had to say in 1946. They recommended that the grounds for divorce be broadened to include: one, desertion for more than three years; two, gross cruelty; three, five years incurable mental disease. The Manitoba legislature, by resolution, endorsed the Canadian Bar Association's recommendations, and suggested that the problem be investigated by a royal commission.

I should like to consider for a few moments those recommendations made by the Canadian Bar Association, not from a legal but from a social standpoint. What is the purpose of marriage? I think all schools of thought in this country are in agreement that it has a twofold purpose: first, the procreation of children and, second, the companionship, comfort and support which the parties give to each other. In a word, the purpose of marriage is to build a home and family; and without these marriage has very little meaning. With this in mind, we are now in a position to appreciate and assess the grounds for divorce which it is proposed that we discuss here today. The first is cruelty, as it is called in the British act, or gross cruelty, in the words of the Canadian Bar Association.

Mr. Browne (St. John's West): The hon. member is not discussing desertion.

Mr. Croll: I am going to discuss cruelty first. It will, I think, be admitted as a fact that certain persons are not good home-builders and lack the capacity and the mental ability to create and continue a normal, healthy family life. If a woman has been unfortunate enough to have chosen such a mate, must society punish her by compelling her to remain married to him? Surely no civilized society can expect a woman, just because of a mistake in judgment, to remain for the rest of her life exposed to the brutal whims and vagaries of an intolerable mate.

It cannot be too strongly emphasized that we do not want to take over the Reno standard. I am not suggesting it. I am not talking about fictitious cruelty—the so-called "mental cruelty" which has made a farce of many foreign divorces. But our courts do recognize cruelty in granting a woman support while living apart from her husband. And I refer to the judgment of the court of appeal in the case of Burns and Burns, 1944, Ontario Reports, page 561. The citation reads:

> Legal cruelty, sufficient to justify a judgment for alimony, need not inevitably and in all cases consist in physical violence or the threat of such violence. There may be cases, possibly exceptional and few in number, where the husband's course of conduct, though free from personal violence or threats, is nevertheless such as to undermine the wife's health, and in such circumstances she will be entitled to relief on the ground of cruelty. Each case must be considered according to its particular circumstances, great care being exercised to see that cases put forward on this basis are successful only when clearly and firmly established.

As a ground for divorce, cruelty can be as clearly defined and honestly found from an examination of the facts. It should not be necessary to show the bruises. Bruises visible to the naked eye are the least hurtful.

The next ground to consider is desertion for more than three years. The British law provides three years, and the recommendation of the Canadian Bar Association is that it be restricted to three years, which in effect means at least four. In calculating the stringency of the law of divorce, it is clear that it must be restricted enough to act as a deterrent in cases where divorce might be entered upon lightly. It is common knowledge that most married couples have at least occasional differences of opinion and do quarrel, and it would be disastrous to society if in the heat of anger they were able, because of the facility of divorce, to dissolve their union. If divorce is made a serious and difficult step there is often a strong possibility that the parties will think twice about the matter and achieve a reconciliation. But in the case of desertion it is apparent that the erring spouse has no intention of continuing or resuming normal marital relations. Alimony apart from divorce is today granted by our courts in cases of desertion by the husband. It seems a most reasonable and humane extension of this doctrine that, when desertion persists for three years or more, the wife or husband in such circumstances should be entitled to petition for divorce. It is plain that reconciliation is highly unlikely and that the marriage has ceased to have any meaning. It is unjust and socially harmful to bind a man or woman to such a union.

It remains to consider briefly insanity. Both the British royal commission of 1910 and the Canadian Bar Association meeting recommended as grounds for divorce incurable insanity where the insane spouse has been confined for five years. The law of England has been amended to this effect, and rightly so. Humanity calls on the law to grant relief in cases where a healthy, normal home life has become impossible through the incurable mental disease persisting for five years of one of the parties and the other party cannot alleviate his or her suffering. Why should the law make two persons suffer the affliction which fate has destined for one? These cases may well be few in number and infrequent, but they are most deserving of relief, and we would do well to follow the British example in this respect.

I cannot make it too clear that it is not proposed to infringe in the slightest degree on the freedom of Quebec or Newfoundland or, indeed, any other province, to control divorce procedure as it sees fit. I for one, and I think it beyond doubt that the sentiments of this house are unanimous in this regard, have the utmost respect for the autonomy of these two provinces in those things which concern them intimately, no less than for their long history and traditions. I do not propose for a moment that their prerogatives—which they guard, and rightly so—should be curtailed in any way.

I believe, however, that it is socially desirable to bring our Canadian law of divorce up to date in line with present-day requirements and needs. If any Canadian jurisdiction desires to retain the status quo, that is its privilege. On the other hand, if any province seeks to change the substantive law in respect of divorce, it should be enabled to do so.

It is, I think, a mistaken notion that a reasonable liberalizing of the law of divorce will inevitably result in a flood of new divorces. I would point out that in the twenty years to date the annual number of divorces has increased from 875 in 1930 to 5,911 in 1949. It may be that the poor people are securing relief; but the chief merit in broadening the grounds for divorce is to enable people to dissolve a bad marriage decently and with clean hands, and on honest grounds. When application has been made for divorce the home is already broken. A decent divorce will save something from the wreckage.

The present stringency of our law makes divorce an unpleasant, hole-and-corner business, with hotel bedroom scenes, and the paid evidence of detectives. Anyone who has observed the conduct of divorce proceedings in

our courts is aware of this and it is borne out by the experience of the house in dealing with the endless flow of petitions to the Senate committee on divorce. Unfortunately we are all too familiar with these petitions, each one so like the last, these prefabricated alphabetical divorces, where only the names of the parties are different.

I shall now quote from an article which appeared in the *Globe and Mail* of May 6, 1947.

Mr. Carroll: May I ask a question? Was the law of England which in the first instance created divorce as such statute law or common law?

Mr. Croll: I am not too sure, but I believe it was statute law.

Mr. Carroll: Does the hon. member know that before that statute law was passed there was a first-class system of ecclesiastical laws which took care of all marriages which might be described as irresponsible in their results?

Mr. Croll: I know that. I have made some study of the question and have done some reading. What the hon. member says is quite right.

This article in the *Globe and Mail* was written some time ago by Kenneth Cragg, who is no longer in the press gallery, but who was respected and held in the highest esteem. In this article he discusses divorce and states:

> Many believe the practice has exposed the courts to some very high class perjury indeed. This reporter—

Speaking of himself.

> —while in Toronto, once knew a professional co-respondent whose real name was Evangeline.
>
> Evangeline was a superior type of maid who worked as a professional co-respondent on her Thursday nights out. With the money she helped to support an aging mother who resided in the outskirts of Montreal.
>
> Her working uniform was always a neat dress, well-fitted and worn over a black slip with lace insets in the bodice. During the war she used to knit for the soldiers in her spare time and she always carried her knitting when co-responding.
>
> On reaching her assignment, usually a hotel bedroom, Evangeline would speak to her client in a tone designed to put him at his ease, remove her dress and get into bed with her knitting.
>
> When the knock came she would shove the knitting under the pillow and when she reared up on her elbow in the fetching black slip the law student, who in his own way was trying to earn an extra dollar, had the ready-made description of a scene that could be, and frequently was, described as a love nest.

Mr. Browne (St. John's West): Does the hon. member have to read it all?

Mr. Croll: Yes.

Mr. Browne (St. John's West): There are children present.

[Mr. Croll.]

Mr. Croll: It continues:

> Evangeline, during her short but lucrative side-line practice, never appeared in court, and her right name never appeared in the divorce papers. Her clients, she always said, did seem to appreciate "a refined co-respondent."

I read this only to indicate some of the things that are going on. It is apparent that the present law does not help to keep the family together, that in fact it creates a situation where perjury is committed every day in our courts. The basis of our society is the family; but shall we endanger its very structure by exposing people who cannot possibly live together to circumstances where relief is available only if they commit adultery or perpetrate a fraud? I think too highly of the moral values of our society to believe that we can permit such a situation to continue. It leads to contempt for the courts on the part of many who find it easy to commit frauds and perjuries without action on the part of the courts. There is no field where the law is a greater hypocrite than in the divorce courts.

I am not criticizing the judges. They are doing the best they can. They are trying to be strict, and they are trying to stamp out fraud where they find it, or even where they smell it. But we must consider this, that they are bound by law, by precedent, by rules of evidence and procedure and practice, in the same way as you and I are bound. In ninety per cent of the cases they find there is no defendant, that the proceedings are ex parte, uncontested. There is very little they can do, but they do what they can in order to preserve what there is, and to assist the children in the best way they can. The law society is doing good work in this respect in attempting to control backsliders in the profession. They are disciplining those offenders, and their action is most serious in some of the provinces. However, the house should know that the pressure by the public is great indeed. There is not much the public does not know about the mechanics of divorce, even before they see their lawyers.

I do not set myself up as an authority; but in considering the purpose of marriage in civilized society it is apparent that there are certain cases which frustrate or vitiate that purpose, and where it is cruel for society to insist that two people, though in fact apart, should in the eyes of the law be bound together.

Therefore I propose that a committee of the house be set up to examine the whole manner of divorce in Canada, with a view to amending the law to grant relief in all circumstances where it appears wrong not to

do so. I feel that our present law no longer adequately reflects the public need or the public mind. It is high time we fumigated the divorce courts of this country, and did away with perjury, collusion, connivance and fraud. In my view the present law is unreal.

I would close by saying that the preamble to the English act puts the purpose clearly when it states:

> Whereas it is expedient for the true support of marriage, the protection of children, the removal of hardship, the reduction of illicit unions and unseemly litigation, the relief of conscience among the clergy, and the restoration of due respect for the law, that the acts relating to marriage and divorce be amended.

I can add nothing further to that.

Mr. Pierre Gauthier (Portneuf): Mr. Speaker, I shall try to discuss the motion under discussion on its merits, although the wide-open door invites anyone to come in to envisage the whole question of divorce. If the motion asked for but one thing, namely the setting up of a committee to amend the divorce laws, one might believe or hope that the amendment would mean restrictions to an already too wide-open door. But the motion speaks of giving more grounds, more facility for divorce.

The difficulty with this whole much-debated question lies in the fact that marriage, which is a sacred thing, has been defaced and diverted from its real end, and now that it is taken more or less seriously, that anyone can get married with the idea that if married life does not meet with one's expectations one can always break the bond and try one's chances again. Rotten philosophical systems have been responsible for that change through the ages. Some call it liberty, some call it civilization. My words may be a little strong, but I call it licence and barbarism.

The ill effects of divorce on the family, on society and on nations are so evident in all countries that it would be about time for a national conscience examination, rather than to ask for more grounds, more facilities for divorce.

To stay away from the very question of divorce, in discussing the motion, is difficult. One has to give examples of so-called free countries where greater and greater facilities have been given for divorce. One has to offer arguments against the motion, in support of one's position, which are the same as the arguments used against divorce itself. I will try to stay close to the merits of the motion, although I do not find many. I find divorce anti-social and anti-patriotic and cannot look at the motion with indifferent eyes and keep the soft pedal on.

How often have I heard in this very chamber that the family is the basic cell of society. Can we protect that cell by adding to the already too wide-open door more facilities to disrupt marriages? Are we protecting families and homes in looking for more grounds by which parliament itself will render more frivolous the union of man and wife, will make the maternal instinct a mere thought, even a superstition in the brilliant realm of egotism and free love? The step parliament would take would be to ignore the already too serious situation. It would be sanctioning wrong principles of a nation-killing philosophy. What other results can repeated divorces bring than anarchy in the society where families are becoming wandering caravans.

Oh, I know modernism has an answer to that: The state. Well, let us take an example in a nation where the state is taking care of everything, even trying to rule the souls of her subjects—Russia. Let us look at her so-called freedom of union. Everyone here knows that the government of Russia has been for many years more than lenient toward divorce, giving more and more grounds for divorce. That government went as far as encouraging divorce, even abortions and free love. My contention is not that we have gone as far as Russia has, but the hill is too steep. Let us have a sample of their way of looking at it.

The philosophy of communism teaches that all morality, art and literature, as well as institutions, repose on methods of production. In keeping with this, a communist manifesto states that the bourgeois family reposes on capital or individual gain and that the family will therefore disappear with capital. Engels in his book "The Origin of the Family" says that only a union based on love is moral and that, when this love ceases to exist or when it is succeeded by a new passion, divorce becomes a benefit. Anyone, having followed the enumeration of motives or rather pretexts given for the majority of divorces, will admit that that word of Engels has found many partisans and advocates in our North American society. And I will add that divorce is one of the weak spots of democracies through which communism finds easy admittance into our democratic homes. Madame Kollontai, once a Soviet delegate at the league of nations, declared that love is a glass of water one swallows to satisfy one's thirst. I give the house these examples so that comparisons may be made between the situation here and there.

The matrimonial code of 1918 and 1927 affirmed the law: All children belong to the state. Here we are. It is so easy and handy: the state will take care of the wandering ones. The paternal state will replace maternal instinct, the father's devotion.

Divorce Laws

They went further than that. The 1918 October code declared that all church marriages were invalid and could be dissolved at the will of either party, simply by sending in a postcard dissolving the union. The thirteenth congress of the communist party even described the family as the stronghold of all the turpitudes of the old regime. However, the family of a fugitive soldier was held responsible and the penalty went as far as detention. What a wonderful logic!

At the very beginning of the revolution a decree was passed declaring that all women between the ages of seventeen and thirty-two became the property of the state and the rights of the husbands were abolished. They made of women's labour the main sources from which industry could draw fresh supplies of workers. The women generally refused, but they were forced to accept the orders; so much so that in the earlier years of the first five-year plan about six million housewives were in towns. Shaburova, what they call a poet there, sang the beauties of the situation: Formerly, women only knew how to cook soup and porridge, now they go to the foundry—at the foundry it is nicer. No reason was required for the separation of husband and wife, not even the permission of the other party.

All distinction broke down between legitimate and illegitimate children. The labour board settled the difficulty arising out of the separation of husband and wife by stating that either spouse could find a partner in the new place of occupation. Abortion clinics were established by the state throughout the country and every available means was used to weaken the family. Even in the times of the czars—and what has not been said against the evils of those times!—Russia never suffered such painful experiences. I know that the motion of the member for Spadina does not contemplate an approaching eventuality such as has occurred in Russia, but even in ascribing to the hon. member the best intentions, he cannot but admit that once the cavalier is in the saddle the chances are on his side and he might go far before being mastered.

And what was the result of that communist policy? One day the rulers started counting the heads and they found that in Moscow alone 57,000 children were born in 1934, while there had been 154,000 abortions. In the villages, 242,979 births were to be compared with 324,194 abortions. That is from *Isvestia* of July 12, 1936.

In Moscow, according to *Isvestia*, July 4, 1935, in the first five months, there were 38 per cent more divorces than registered marriages. In May, the number jumped to 44·3 per cent. It is about time we declared that frivolity in union is a crime and that marital infidelity is an offence against the morale of society. The wife of Lenin estimated the number of children roaming the streets, stealing, assaulting and killing, at seven millions. In her book, "Les Femmes Sovietiques, 1937," Helen Iswolsky wrote that so great was the crime and juvenile delinquency that a joint resolution of April 7, 1935, of the central executive committee and the council of people's commissars—one of them was Molotov—decreed a full measure of punishment for children over 12, while death in other cases was mandatory. The communists were scared, they had to flinch, it was too much for their health.

They saw with their own eyes that their foolish, execrable, diabolic philosophy was killing the nation: killing the nation because too many grounds and facilities for divorce were destroying the families. They were scared by the sight of the wandering herds of fatherless and motherless children. The disintegration of the family is the disintegration of the nation.

Societies and organizations were formed, the third front of Soubine was formed, and it began pointing to the evil effects of divorce and abortions, reaffirming the maternal instinct too long ignored and repudiated. I will not go through all the numerous edicts and statements of the government to remedy the situation. Let me quote, however, the Journal of Commissariat of Justice:

> Marriage is of a positive value only if partners see in it a lifelong union. So-called free love is a bourgeois invention."

As you see, Mr. Speaker, the ball is thrown back at us.

> Moreover, marriage receives its full value for the state only if there is a progeny, and the consorts experience the highest happiness of parenthood.

We could not expect the communists to declare marriage indissoluble because of its sanctity; it would be too much to ask them to consider the moral or spiritual value of union before a minister of God. Their philosophy derives from a mixture of materialism and class struggle, embodying the negation of God. But as we can see by their constitution, the state being close to disaster and in need of more men for war and for communist propaganda abroad, they were forced to come back and bury their ridiculous principles. The divorce cards were abolished, measures were taken to make divorce extremely difficult and rare, fees for divorce were raised from two rubles to two thousand, the so-called bourgeois distinctions between legitimate and illegitimate children reappeared in soviet law, and so on. Russia, after twenty years of

communism in practice, rejects its entire philosophy of the family; and as Monsignor Sheen wrote,

> . . . without even intending to do so, proves that when we fail to obey God's laws, expressed in rational nature, we defeat ourselves.

Do you not believe, sir, that in enlarging grounds for divorce our parliament would be taking a very risky step, and if it agreed to the motion of the hon. member it would rather take a backward step? Let us for one moment, and to strengthen my argument, study some facts in the country of our neighbour to the south. In passing, we could in Canada derive great profit from the lesson contained in words I am going to quote. They are from Monsignor Sheen, that great American who is doing the most wonderful job in helping in the recuperation of the Christian ideal, not only in the United States but in all the world. The quotation is as follows:

> The family is the barometer of the nation. What the average home is, that is America . . . If the average husband and wife are not faithful to their marriage vows, then America will not insist on fidelity to the Atlantic charter and the four freedoms. If there is a deliberate frustration of the fruits of love, then the nation will develop economic policies of plowing under cotton, throwing coffee into the sea and frustrating nature for the sake of an economic price. If the husband and wife live only for self, and not for each other, if they fail to see that their individual happiness is conditioned on mutuality, then we shall have a country where capital and labour fight like husband and wife, both making social life barren and economic peace impossible. If the husband or wife permits outside solicitations to woo one away from the other, then we shall become a nation where alien philosophies will infiltrate as communism sweeps away that basic loyalty which was known as patriotism. If husband and wife live as if there is no God, then America shall have bureaucrats pleading for atheism as a national policy, repudiating the declaration of independence and denying that all our rights and liberties come to us from God . . . Every country gets the government it deserves. As we live at home, so shall the nation live.

I will not give figures to demonstrate that the situation is serious in Canada just as it is in the United States. Most of the members of the house are cognizant of the facts. I was listening to my hon. friend a little while ago, and he gave facts that proved that the situation is dangerous even in Canada. If we were to add more facilities for divorce we would ourselves go down the hill and, from what I have said before, we would meet the communists coming up, deceived and harassed by their costly experience. They have not changed their policies toward marriage because of their belief in the sanctity of marriage. They do not believe in God; otherwise they would be getting nearer to God. As their founder, Marx, said, after having met Feuerbach and Proudhon, from the first of whom he got his materialistic theory and from the second his theory of class struggle, "I hate all the gods." They simply change their policy to meet the exigencies of their internal organization so as to provide more men for war, more men for propaganda abroad, and more women in the factories even after their costly experience.

As for ourselves, we are Christians, we have morals, and we believe in an oath. When men and women kneel before a minister of God they accept—and it is a lifelong pledge —the words of the minister, "I pronounce you man and wife until death do you part."

In this motion parliament is being asked to enlarge the grounds for divorce to include desertion for more than three years, which is a very big step; gross cruelty, judgment of which would be a matter of opinion and a very subjective appreciation; and incurable mental disease after five years, which is pretty hard to decide except in a few cases.

Until death do you part does not mean until you feel like changing your partner, nor until one's temper gets out of gear, nor until one gets tired of the other because of so-called mental cruelty, because one party starts smoking in bed or snores or likes playing poker too much. It is until death. I believe, Mr. Speaker, that we have gone far enough, much too far; and to ask parliament to give more facilities for divorce would be asking this eminent body to facilitate the disruption of society and to give a helping hand to those for whom liberty means frivolity and egotism.

How often nowadays do we hear hon. members speaking of the necessity for providing more social security. Does any one of them seriously believe that divorces do not in any way endanger that social security? With one hand we try to give support to the family and with the other we would with a smile, with a matter of fact attitude, and in the name of liberty and civilization, cut the bonds we were trying to reinforce yesterday. There is no worse slave in the world than he who abuses his liberty. As for civilization, can anyone believe that we are more civilized than we were before? Has anyone taken the trouble to evaluate the intervals between the most important wars since Napoleon? Between the Napoleonic war and the Franco-Prussian war the interval was fifty-three years. Between the Franco-Prussian war and world war I it was forty-three years. Between world war I and world war II it was twenty-one years, and this at a time when man has all the materials and conditions necessary for his happiness. More civilized?

Let us have a look at the ground of mental disease. To grant a divorce after it had been declared incurable, admitting that there was no mistake in the diagnosis, would mean that

dissolution of marriage could be obtained by the consent of just one party. What about the other? Even though impotent, he still has rights; he still is a human being, a creature of God; and the other party has duties as well. Has he not promised mutual support? Oh, it is another thing if one has gone so far as to ridicule the word of honour, the lifelong pledge and the sanctity of marriage, denying the real composition of the human being, which is body and soul. Then if we are getting closer and closer to materialism, why cry out aloud against communism?

Why give more grounds, when it is already a joke? I happened to read a study on that question, and I found that a French magistrate wrote of his experience in the matter of divorce in France:

> One has seen pre-arranged or simulated adulteries; we have learned, through a trial before us, that in Paris there are girls at the disposal of wives; girls kept specially for the purpose of bringing the husbands to commit adultery. Agencies have been organizing comedies where simulated adultery gives the married ones grounds for divorce.

I do not think France is worse than any other country. That disease is epidemic, and I believe the words of de Musset apply to it:

> The vase is deep and the spot is at the bottom.

I do not think we could wipe out that spot by adopting the motion now under discussion. I said at the outset of my remarks that divorce is the weak spot through which communism could easily introduce itself into our society, first, because of the ever-increasing materialist philosophy which is establishing itself gradually in our way of thinking, and second, because of the ill effect on our birth rate. Remember the French general who gave the failure of the family to perpetuate itself as the basic reason for the debacle of his nation in 1940. Giving more grounds; adding facilities, would be strengthening the genesis of frivolity established as a virtue, egotism as an essential part of liberty, and the pledge of honour as not more than a mere joke. The world today thinks too much of rights and not enough of duties. Do duties disappear when love ceases to exist in married life? Is incurable mental disease, whether it lasts one, two, five or ten years, a worthy reason to efface the duty of charity and self-devotion toward the crippled one? In the family, man or woman is reverenced and respected not for what he can do, but because he is. Existence is valued in the home, not possession or influence. That is why the crippled, the sick and those who who are of no economic value to the family are given more affection than those who normally provide for its subsistence. The family is the training school, the novitiate of democracy. Destroy it by any means and you threaten the very life of democracy. When a nation ceases to put the highest value on the home it will not be long before it ceases to put value on a person; then both Marxism and rotten capitalism meet, because both have valued man as a mere economic animal.

In the course of years I have had the privilege of seeing marvellous devotion in our families. I have seen children devoting their strength, wearing themselves out in the care of sick and crippled mothers and fathers. I have seen them giving their lives with no hope of their loved ones recovering. Family bonds meant something to them. I have seen a mother with four children undertake the heavy task of looking after her crippled sister, who was completely impotent. For thirteen years, laughing through her tears, forgetting her sore back and the sleepless nights spent in nursing both her children and her sister, she made her sacrifice because she knew the price of family duty, as well as the right of the sick to receive care from the healthy. We have called such mothers builders of the empire; and they have deserved and still deserve the attention, admiration and protection of the public powers. Only in the permanence of union can we expect permanence in devotion not only to families but toward the nation as well.

Here are the dangers lying ahead when permanence of union is denied. The conjugal union is rendered precarious by the very danger of eventual divorce. There is the seed of suspicion full of anxiety. Benevolence and community of interest are deeply weakened by the possibility of separation. Pernicious incitements are offered to infidelity. The birth of children, conservation and education are exposed to the greatest dangers. Occasions of discord between families and relatives are multiplied. The seeds of discord are more plentifully thrown about. Dignity and the functions of woman are shamefully humiliated. There is the most fatal damage to state prosperity. The authority of either the father or the mother is likely to be destroyed. Destroy authority in the family, and you destroy it in the nation.

Let us not weaken these family bonds more than is the case already. If I were to sponsor a motion on this subject these are the words I would use:

> That in the opinion of the house the government should take into early and immediate consideration the necessity of setting up a committee of the house to consider the dangerous situation facing our beloved country, a situation due to irresponsible frivolity attached to modern marriage, and try to avoid the destruction of our families, our society and our nation.

Let no one think my stand is the manifestation of a childish fear or of fanaticism. Reason dictates to our mind to come back to common sense. The experience of the world thus far has been too costly. To strengthen our ranks for the ideological fight, we must not undermine the basic cell of our social structure. The family is the novitiate of democracy. Let us keep the holy fire burning at home.

Mr. G. S. White (Hastings-Peterborough): Mr. Speaker, I desire to say a few words in support of this motion. I would point out that it simply suggests the setting up of a committee to consider certain amendments. In every parliament there are arguments for and against a committee; but I doubt if any other matter has stood for such a long time without being reviewed by a committee and brought up to date.

It is not my intention to go over the concise history the hon. member for Spadina (Mr. Croll) has given the house covering the law of divorce in England, and how it was applied to Canada, but I should like to stress one point the hon. member brought out. I refer to the report made by the committee of the Canadian Bar Association in 1946. As the hon. member pointed out, that committee was composed of lawyers and judges from every part of Canada, and I should think members of the bench and bar would have complete knowledge of the unsatisfactory basis for our divorce laws in this country. As the hon. member for Spadina indicated, today we had an example of some thirty or forty divorce bills going through the house en bloc.

I realize that this question is one on which members have very decided views. But we must realize, Mr. Speaker, that at the present time in Canada eight provinces have divorce courts, while the citizens of the other two provinces have the right to present a petition to parliament praying that a statute be passed to dissolve the marriage. That is a right which cannot be taken away from any Canadian citizen. The British North America Act gives the dominion parliament exclusive jurisdiction to legislate on divorce.

Those of us who belong to the legal profession, and who now and then read the evidence presented to the Senate committee, cannot help but be impressed by the similarity of the evidence in many cases. Sometimes the same witness appears in case after case. One hon. member said that the proceedings before the Senate committee were a farce, and the same thing might also be said of some cases that are heard in the Ontario courts. One cannot help but feel that, in many cases heard in the Ontario courts, the evidence is manufactured. It would appear that there are enterprising agents who, for the proper fee, will provide whatever evidence is necessary. I think all hon. members of the house will agree that our divorce laws and the methods of procedure are certainly out of date. I for one feel that divorce actions should be heard by a court. Certainly, the cost of presenting a petition to parliament, plus the cost of printing the evidence, must greatly exceed the cost of a court action. In addition, the evidence in the cases that are presented to the Senate is printed, and must be somewhat more widely circulated than a court action which is only reported in the local press. There is a private bill before the house which proposes that a court be set up to handle all divorce actions. The purpose of the bill is to give the Exchequer Court of Canada the right to hear divorce actions.

One of the grounds which the hon. member has included in the motion is desertion for more than three years. In this connection, Mr. Speaker, I should like to mention a matter which must be within the knowledge of many members of the house who are veterans. It concerns the soldiers of world war II who were married overseas, and at the end of the war returned to Canada. In many cases, their wives refused to come to Canada, while in other cases the wives came to Canada and have since returned overseas. In some instances it is not the intention of the wife to come to Canada to reside with her husband. In the eyes of the law these Canadian veterans are still married men, yet legally they have been deserted by their wives. In considering a divorce, as the legal members of the house know, the matter of jurisdiction and the domicile of the soldier at the time of his marriage are of some importance. I think everyone will agree that the definition of domicile is most difficult and technical. In my opinion, Mr. Speaker, this question of desertion for three years should be given careful consideration, if only to bring some measure of relief to a large number of Canadian veterans who find themselves in an intolerable position.

I fully realize that there will be many members of the house who will be opposed to enlarging the grounds for divorce. They will contend that the sanctity of the home should be preserved, and the rights of the children protected. No one is going to disagree with that. But when two people have reached the stage of desiring a divorce, surely it is not going too far to say that the sanctity of the home has long since been destroyed. So far as the children are concerned, if the parents have reached a stage where they cannot live together, I believe it is better for the children to live with one parent. The fact

remains that, in Canada, we have divorce courts in eight provinces, and the citizens of the other two provinces have the right to present a petition to parliament. Is it not both reasonable and sensible to have a committee study our divorce laws and bring them more in line with conditions as they exist in 1950 than as they existed in England in 1870?

Mr. Daniel McIvor (Fort William): Mr. Speaker, it is true that the last time a bill of this sort came from the Senate we gave it the six months' hoist. I did not move such a motion this time, because I did not think it would hurt to hear all the arguments on both sides. I have not changed my mind, however, Mr. Speaker. It is difficult for me to understand how a young man who loves his intended companion, and who gets married with the right conception, with his trust in God, could possibly ask for a divorce.

Everyone knows that when a doctor is called into a case the first thing he does is to make a diagnosis, and then prescribe for the patient. The doctor in this case, who is a lawyer, has made a fair diagnosis. I do not think he has given us the cause of divorce, and therefore he will perhaps allow me to aid him in this respect. The great lawgiver or lawyer of his race believed in divorce, but his great teacher afterwards said he granted that divorce because of the hardness of the heart. Men who are cruel and selfish should not have a wife, and it is the same on the other side. If the hon. member will read the divorce laws of that early lawyer, however, and compare them with what he wants, they will be found entirely different. There is no marrying again.

What is the cause of divorce? Selfishness, lack of trust in the Supreme Being, and drunkenness, as the hon. member across the way has shown. When men are intoxicated, they try to say "I did it when I was intoxicated and therefore it should not be held against me." Remove these causes, and there will be less divorce. As you would expect, I have had some experience with young folks who got into difficulty. I have made it well known at the lakehead that when a young couple are in trouble, they should not go to a lawyer or the courts but should consult the family doctor and their spiritual adviser. There are outstanding families in both Fort William and Port Arthur today who were at one time headed for the divorce courts, but they are happy now. It is just as Moses said, it is because of the hardness of their hearts. There is a great work there for the church, Protestant, Catholic, Jew and Gentile, to try to change the hearts of the people. Let the husband and wife give each other the right to think for themselves under all circumstances.

[Mr. White (Hastings-Peterborough).]

I know that we have an amendment to the marriage law in Ontario. I do not think it will improve the law when they allow magistrates and others to perform the marriage service. I know a magistrate is quite capable, but I think the reason behind it is that a man does not have to recognize God, and unless that is done the home is not going to be what it ought to be.

If we make it too easy to get in and too easy to get out, what will happen? There will be more divorces and more homes broken up. If a man cannot get along with one companion, or if a woman cannot get along with a husband, why break up another couple?

I saw some place the other day that the trouble with some of our marriages is that, when a young couple get invited out to a dance or a beer parlour, the young man has a coupé and a cigarette lighter. He goes and rents a suite. When they are married what happens? They do not know each other. They do not know each other's thinking. They should plan for their home and for those who are coming into the home. If they do that they will not be thinking of divorce.

I think making it easier to get divorce is just leading toward the custom of the country to the south of us. The other day I saw in one of the papers that a wife got a divorce from her husband because he came home late at night and put his cold feet on her. Well, that is just as important as some of these divorce laws. If we have our homes built upon faith in God, and if we practise unselfishness there will be no cause for divorce but there will be happy homes.

Mr. W. J. Browne (St. John's West): Mr. Speaker, I feel that in a way we ought to be grateful to the hon. member for Spadina (Mr. Croll) for giving us the opportunity to discuss this subject when there are no pipe lines waiting to be discussed. Therefore we can discuss it without being accused of mock piety, false tears or anything else.

While we might agree with him about the casual way bills of divorce are considered in this house and regard ourselves as silent and uninformed accomplices, I do not think the hon. member left it clear whether his resolution is intended to remove the consideration of divorce cases altogether from parliament and pass them over to the courts, or enlarge the grounds for parliament to consider. I am sure he must realize that parliament can grant a divorce on any ground, or without any ground, and therefore as far as parliament is concerned his resolution has no meaning at all. But I

understand him to mean that generally speaking throughout the country everyone should be entitled to get a divorce in a theoretical manner on those new grounds, in addition to the ground of adultery which is the usual ground advanced in cases coming before us. But I wonder how he intends our interest to be stimulated, or how our consideration is to be any greater, or how we shall be any better informed, or treat those bills in any better way if there are more grounds. There will be more bills of divorce, and I feel that instead of giving more consideration to them we shall give them less.

We have never had any divorce courts or divorce legislation in Newfoundland. It was not permitted under the royal authority setting up our constitution back in 1832, and the amended royal warrant of 1855. The hon. member has given us the history of divorce in England. It is rather interesting to know that it goes back only to 1857. The history of England goes a long time further back than that, which goes to show that England was able to get along up to 1857, at least, without having divorce.

Has the hon. member been really satisfied in his own mind that the happiness of England has been greater since 1857 than it was before that time? He made what I considered to be a serious and false assumption which I am sure he will admit himself. He said: "Can one say that the happiness of the people of the twentieth century in England is any less than the happiness of the people in the nineteenth century?" Well, he has the opportunity to find out. It is easy to make a comparison in the case of those communities where the people are less sophisticated than they are today in the cities.

The hon. member knows that of the applications that come before parliament the great majority of them are from people resident in the city of Montreal or in some other city. In all the courts throughout the country it is quite obvious that the majority of applications come from people who are residing in the great cities, where conditions are such that they lead to situations in which one party or the other feels that he or she has a ground for divorce. If he would consider a community, say, like the province of Prince Edward Island he would find that for many many years there was no divorce there at all. The average in that province is very much less than it would be in a city, say, like Montreal or Toronto. Therefore I tell him—and I am sure he will agree—that in Ontario a hundred years ago when people lived less in cities than they do today they lived happier lives, as people in the country everywhere live happier lives.

Divorce Laws

I hold in my hand an article which was published in a magazine which says that in the United States today 70 per cent of the population are living in the cities. That is one of the reasons advanced by this writer as the cause of so much divorce. He goes on to give other reasons, such as the fact that there are more women working today—I mean working at jobs that men used to do, and working in association with men more than they did in former times—which creates more temptation and therefore gives more occasion for causes or grounds of divorce to arise.

My hon. friend must also feel that he is on unsafe ground when he makes another assertion. He said he does not believe that enlarging the grounds will increase the number of divorces. He has the experience of the United States to go by. The statistics in the United States in the year 1897 were approximately the same as they are in Canada today, about ·5 divorces for every thousand people. What are they in the United States of America today? By 1937, that is in a period of forty years, the figure had jumped to 1·9 divorces, which is four times as great. In 1940 there were eighteen divorces for every one hundred marriages; that is, 18 per cent of the people who were married were being divorced. Well, we have made a little progress in this country since it was started. Before 1900 the number of divorces in Canada was less than 20 per annum. In 1903—I think the hon. member quoted the figure himself—there were 23 divorces. In 1913, 60 divorces; in 1918, 114 divorces; in 1926, 608 divorces; in 1931, 700 divorces; in 1936, 1,570 divorces; in 1940, 2,369. I now come to 1942. In 1942 there were 3,089 divorces; in 1944, 3,788; in 1945, 5,076; in 1946, 7,683. Now I have to use the hon. member's figures. In 1947, 8,199; in 1948, 6,881 and in 1949, 5,911, a drop. The increase in 1946 and 1947 is probably due to the war marriages which my hon. friend to my right was speaking about. But I think it is recognized that since 1900, a matter of 50 years, an increase from 20 divorces per annum to nearly six thousand, or seven or eight thousand, is an enormous one, and certainly out of all proportion to the increase in population, although we have only one ground for people making an application to parliament. If he opens the door for other causes, surely he is not naïve enough to think that there will be less; rather, there will be more divorces.

The hon. member made some rather inconsistent statements. He made some correct statements, but they are inconsistent with his argument. He said, for example, that he believed, he was taught, that marriage was indissoluble. Has he changed his mind on

that point? It was either indissoluble, or it was not indissoluble. It is a part of our faith —the Catholic faith—and I suppose of my hon. friend's faith, that marriage is indissoluble. We are taught that it is a sacrament, a sacred thing. When the marriage contract is made, when the two people unite and agree to marry each other, for how long do they marry? What is the duration of the contract? Is it to be until one party proves that the other has been cruel or has committed a sin?

I think that sort of sin is the sort of which we might be reminded in this week, which is holy week. We all know the story of Mary Magdalen; and I hope I shall not be considered as preaching if I refer to the story of the woman who was taken in adultery, and whose accusers went away from her one by one. Not one of them would dare face our Lord when He read their secret sins.

My hon. friend knows that when the British parliament, in its wisdom, decided that it would place the sexes on equal grounds, it could not place them on equal grounds. My hon. friend knows that—because a man can get away with things which sometimes a woman cannot get away with.

And is it not also appropriate in holy week to draw attention to another bible story, the story of the prodigal son? What was the attitude of the father to his son who had gone away and wasted his substance in riotous living? The father took the fatted calf and killed it. Does my hon. friend believe in that bible story, and its moral—that we should forgive? Should the love of a father for his son be greater than that of a husband for his wife, or of that of a wife for her husband?

My hon. friend, I am sure, will agree that the story of the prodigal son is an example of charity which has been held up to us for two thousand years. Surely we are justified in considering that that is a proper ground for us to act upon, to imitate and from which to copy our conduct.

Then, is it mockery when Mr. Speaker each day reads the Lord's prayer in which we find the plea: Forgive us our trespasses as we forgive those who trespass against us.

I am sure all hon. members, if they will give consideration to this question on these grounds, will agree that there can be no justification for divorce. My hon. friend has said that the family is the fundamental unit of society. Of course it is. Then, why try to break it up? Why make it easier to have that unit disrupted? Why should he not try, as he suggested himself, to get school, church, family and social organizations to co-operate to prevent divorces? Why does he not recommend that we give consideration to the setting up of some kind of committee which would co-operate with these organizations with a view to strengthening family life, and to make it better?

If it means so much, why do we not try to make it better, instead of trying to make it possible for it to become worse? Because the experience in other countries, where all these grounds for divorce exist, proves to us beyond any reasonable doubt that it is going to cause more heartaches, more broken homes, more unhappy people and more neglected children than we have at the present time.

My hon. friend has quoted a resolution of the Canadian Bar Association. Well, at the last session we were treated to a speech by the hon. member for Temiscouata (Mr. Pouliot) in which he referred to a Canadian Bar Association meeting he had attended. I would not begin to say that the circumstances he described actually obtained in 1946. But my hon. friend knows that a great many of these resolutions are brought up at meetings and are passed in a fashion somewhat similar to that in which we pass divorce bills—without proper consideration.

I do not think the Canadian Bar Association in its meeting at Banff, during two or three days, or at some other luxurious residential or tourist locality, is a proper setting for the consideration of something that affects the whole human race. I do not think they could give it ample consideration, along with the many other difficult legal problems they would consider.

Further, I do not say that this is a wholly legal problem, or a problem which should be considered merely from the legal or constitutional angle. I say it should be considered from the humane standpoint, from the standpoint of the welfare of humanity and of society.

I come to a specific reference of my hon. friend in his resolution, his reference to cruelty. Well, a very celebrated clergyman of the United States, one who is also well known in this country, Father Daniel A. Lord of St. Louis, a Jesuit, for years kept clippings on divorce, respecting people who were divorced. After keeping those clippings for years he finally wrote a small pamphlet which is called "Divorce, A Picture from the Headlines".

Here are some of the reasons for divorce in the United States that he discovered. Once you open the door to cruelty, where do you draw the line? What is the borderline? Unfortunately, once cruelty is alleged, it is difficult to say where the borderline is to be drawn. Which would you prefer: to have a wife who sometimes gives you a slap in the face, or one who nags all day long? I do not

know what my hon. friend would prefer, but most men find nagging pretty hard to bear.

Here are some of the reasons given to the courts when divorces have been sought and granted:

She took an hour and a half to make up her face.
He worked nights and thus spoiled her social life.
He was a vegetarian and upset her diet.
Because he was of English ancestry and she of Italian, he gloated over her.
He came to breakfast dressed in long underwear.
He insisted on telling jokes in bed.

And so on, and so on—innumerable things. A final one:

She bought a gentleman friend a set of false teeth.

We all know from reading the newspapers that ridiculous grounds of that kind are given. We read about ridiculous excuses such as I have referred to, excuses which have been advanced and often upheld. Unfortunately some of our people, perhaps some from Quebec, and also some from Newfoundland, have travelled to Reno only to offer some reason like that for securing a divorce.

Then my hon. friend gives desertion as his next ground, and in that he was supported, I believe, by the hon. member for Hastings-Peterborough (Mr. White). He referred to the soldiers who deserted their wives, or whose wives had deserted them and had gone back to live in Scotland.

Is the case of desertion so easy to prove? How does my hon. friend intend to prove it? What would happen if mistakes were made, as they could be, in respect of soldiers going overseas in the second world war, leaving their wives behind, receiving injury on the battlefield, perhaps remaining in hospitals in a country with the language of which they are not familiar—perhaps a prisoner, or one who for the time being has lost his memory? Would he then have to resort to insanity? What steps would he take in a question like that?

One can easily see the difficulty. I would suggest that the causes of desertion would not be half as common as they are if, at dominion-provincial conferences which have been held in the past, those in authority had brought up the idea of making separation orders passed in one province enforceable in another. I believe that is a good suggestion, because sometimes a man would desert his wife and go to live with someone else in another province. If this suggestion were followed the law could get at them. At the present time the law of the province in which the man resides does not affect him. A separation order may be made, and an order issued for the husband to pay so much; but it cannot be enforced. I suggest that is a subject which might well be placed before the next dominion-provincial conference, so that if an order were made in one province it would be recognized in another. I should like the Minister of Justice (Mr. Garson) to make a note of that because I am sure he will agree that this is a serious situation, quite apart from the question of divorce. Men do leave their wives and go away and refuse to send money for their support and these provincial orders should be capable of enforcement.

My hon. friend gives as another reason for divorce the existence of an incurable mental disease for five years. When is a disease incurable? Is my hon. friend aware of the recent developments in medical science by which people who have been in insane asylums for twenty years have been cured? This ground would fall also. What can he say about the advance that might be made in medical science in the next five, ten or fifteen years? When it is found that medical science can cure mental diseases as it has cured other diseases in the past, it would be a simple matter to bring in a law to alter the provision he has here and make the marriage good again. That is not the way we should be talking about marriage.

I could not help feeling a little amused when my hon. friend spoke so sadly about a bad marriage, about getting a decent divorce with clean hands on honest grounds. The hon. gentleman is too sophisticated not to understand that probably ninety-nine per cent of the divorces that are undefended are likely brought about by collusion. The very fact that they are undefended makes one suspicious about there being collusion to get a divorce. I have seen it stated that seventy per cent of the divorces granted in the United States are obtained through collusion. There is no provision in this country as there was in England for a king's proctor to go around to see that the man or woman who had obtained a divorce had not married the co-respondent or somebody else with whom he or she had been flirting before the application for divorce was made.

My hon. friend also said that the courts and the law society were doing their best. I do not know what my hon. friend meant by that. Is not the Senate working overtime passing these divorce bills? They are doing their best to grant divorces, but they are not doing their best for society. Members of the law society charge $500 to handle these cases. Are they doing their best—

Mr. Croll: I said that they were doing their best to smell out fraud.

Mr. Browne (St. John's West): I do not think my hon. friend gave any evidence to justify that assertion. There are a few more observations I should like to make on this important

matter. It is difficult to look at divorce as objectively as we should. My hon. friend speaks quite easily about unmarrying people. People who have been married are going to be divorced, but by whom? Who gave us authority to say that a marriage is no longer good? Who gave my hon. friend or who gave me the authority to say that? I would not dare say that a marriage was not good, even though the parties had committed the offences referred to in the petition.

It will be said that this comes to us through the British North America Act of 1867 which was passed by a British parliament. Where did the British parliament get the authority to say that a marriage once good should be broken or declared to be no longer in existence? They gave themselves the authority. As I said during the last discussion on this matter, we were taught that the British parliament, and I suppose this parliament, seeing that it is copied from the other one, can do everything but make a man a woman or a woman a man.

In my opinion there are certain things the British parliament cannot do. Neither the British parliament nor this parliament can make a wrong right. They cannot do that. If it is morally wrong and spiritually wrong, we cannot do it, and they cannot do it over there. They cannot give us the authority to do it.

For various reasons there is great reluctance on the part of most hon. members to take part in a discussion of this kind. Nobody wishes to preach or lecture or set himself up as being better than anyone else. However, I have been associated for a long time with cases of domestic infelicity and I have been able to talk to husbands and wives about their difficulties. From an experience of fifteen years I have found out what can be done by talking to these people. I do not say it is successful in all cases, but in many cases a lot can be done by giving proper advice. I do not say that I always gave the proper advice, but I tried. In support of that I should like to quote the *Catholic Digest* for February, 1950, where there is an article entitled "Divorcees Anonymous". I imagine most hon. members have heard of Alcoholics Anonymous, the organization which is doing such a wonderful social work of salvation on this continent, saving people who have been addicted to drink. Those who have recovered from this addiction to drink have banded together to help others to recover.

Now they have started Divorcees Anonymous. Those who have been divorced are helping those who are looking for divorce to try to get their marriages back on the tracks.

This articles refers to Mr. Starr, an attorney in Chicago, who has handled more than three thousand cases in the last fifteen years. The article reads:

> He knows at first hand the ruin and regret that divorce leaves in its wake. As a result, when angry couples come to him, he does everything he can to get them to settle their differences. He has helped bring about countless reconciliations.
>
> "Almost everyone who gets a divorce regrets it afterwards," he said. "In at least nine cases out of ten they're sorry they didn't stick together and try to make a go of it."

That is the experience of this man who has had so much to do with divorces in Chicago. And his experience would seem to indicate that divorces do not seem to make people happy. Further in support of that I should like to quote another authority who may be better known than Mr. Starr. I refer to Dorothy Dix, the well-known columnist who has appeared in the daily press for many years. She is quoted by Father Lord in this little booklet as saying:

> At the bottom of nine-tenths of the divorces is the superstitious belief . . . that there is some magic in a decree absolute that will restore youth and beauty and make the (divorced people) . . . light-hearted boys and girls again. Most husbands and wives who break up their homes do not do it because of intolerable wrongs . . . they do it because they are bored with each other; because they are fed up on the dull round of domesticity; because they are sick and tired of listening to the children's noise and fights; but mainly because they have begun to have nostalgia for the days when they were sweet-and-twenty . . .
>
> They fool themselves into thinking that if they could break that tie that binds them . . . some miracle would make their paunchy figures grow slim, cause wavy locks to appear on those bald spots, and restore their complexions. They would be automatically infused with new pep, and the come-hither look would return to their tired eyes. Of course no such transformation takes place.
>
> Of all disillusioning human experiences, divorce is the worst. For it rarely brings to its participants the happiness they had hoped to get. It is only the most callous who can feast and make merry amidst the wreck of the home they have pulled down; and deaf indeed must be the ears that can shut out the sound of little children's weeping in the night for the father or the mother they have lost.

Mr. Mitchell: Does the hon. member know that the lady he is quoting is a divorcee herself?

Mr. Browne (St. John's West): That shows that she knows what she is talking about.

Mr. Macdonnell (Greenwood): He has got you there.

Mr. Browne (St. John's West): My hon. friend also reminded us of what marriage was. In the Catholic church—and I speak as a Catholic—it is a union of two people until death do them part; but if conditions arise, as they sometimes do, that make it

impossible for them to live together, if the husband is so cruel that the wife cannot stand living with him, she does not have to live with him. There are many women who are never married at all who seem to get along all right and lead happy lives. Where women have their children they can lead very happy lives. Many widows are doing it. Therefore it would not be an outrageous request to ask them, if their husbands are cruel to them, not to live with them. They can go and live by themselves and the husbands will be made to support them if they are able to.

The hon. member speaks about the fulfilment of the main purpose of marriage, the procreation of children, but it is a spiritual union first of all, and it has been celebrated with great ceremony in Christian homes. Sometimes there may be too great a splash. I have known of cases where the husband forgot to pay for the flowers that he sent to the bridesmaids. A marriage that starts off on that rather materialistic basis is not likely to be very successful. What I should like to see, as has been mentioned in the press—and I believe it has taken place in the province of Quebec—is more of those institutions which we call pre-Cana conferences where groups of young couples who are engaged to be married go to their clergyman and receive instruction in what marriage really means from someone who is able to explain it to them. I believe these things do good.

There are many features that make married life difficult. I am quite prepared to admit that is the case in modern times. Particularly in the United States, where children receive no religious instruction in the schools, where they do not go to church, where they get no religious instruction at home, marriage is not really a spiritual thing with them at all. Marriage for them is a purely materialistic matter, and it seems to me it is very difficult to expect that marriages of that kind are going to be happy. On the first pretext one or the other is likely to look for a divorce. Where the institution of marriage is regarded as a sacrament, as it is by us, and is surrounded with an aura of sanctity from the beginning, then, as the hon. member for Fort William (Mr. McIvor) said, people make an effort to make their married life successful, and I believe it will be successful despite the difficulties they have.

Speaking as a married man, I know that married life has many difficulties. As every married man knows, there are many times when the husband and wife will quarrel and things look pretty bad. Nevertheless I believe that, if we have the fundamental intention of making it right and the belief that it is to endure forever, reconciliations will quickly take place.

The hon. member for Portneuf (Mr. Gauthier) spoke of the Russian experience. I am sure that the hon. member for Spadina (Mr. Croll) is acquainted with that from his reading. In Russia marriage was treated at first as a bourgeois custom, and the policy was to belittle the institution of marriage. Marriages could take place anywhere, not only in a registry but in a stable or cellar. They attempted to treat marriage as lightly as possible, and divorces could be obtained by one party writing a postcard. They found out that hundreds of thousands of poor children were left neglected to roam the streets like dogs. They had to make some change. Since then they have altered the conditions of marriage so that people have to be married now with much more ceremony than they had at the beginning, and divorces are extremely hard to get.

Only a day or two ago we read of the Polish communist government making stricter conditions about marriage than existed before communism took over. Therefore it will be seen that even in such communities they recognize they cannot get along without the family. In our country, as in the United States, it seems to me we are likely to create serious conditions that will be prejudicial to the best interests of the people of Canada if we open the door any farther. My hon. friend spoke about marrying in haste. Marry in haste and repent at leisure used to be the motto, but now it seems to be marry in haste, repent quickly and get married again. In the United States there are cases of people who have been married three, four, five, ten, and even as many as twenty-three times. Sometimes the same people have been married again and divorced again. They should have a degree such as "M.A.", married again. I think I have probably taken up too much of the time of the house.

An hon. Member: Hear, hear.

Mr. Browne (St. John's West): Someone says "hear, hear", but I make no apology for doing so because the matter is so serious. The only apology I make is that I am afraid I was not able to deal with the subject as it should be dealt with. I feel that we should not be affected by the hardships that might occur in a very small percentage of families representing a very small percentage of the total population. We are concerned with the overwhelming majority of the people of the

country. The damage that would accrue as a result of accepting the hon. member's resolution would be far more serious than the damage caused by the present conditions.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I had not intended to take part in this debate, but I should like to say a word or two. First of all I should like to say that I do not think we should begrudge the hon. member for St. John's West (Mr. Browne) the time he has taken because I think he has said things that we should all consider very seriously indeed. I do not find myself able to go the full length that he goes because I believe there are grounds upon which divorces should be granted, but I do not believe they are contained in the resolution of the hon. member for Spadina (Mr. Croll), and I am very sorry to see it come before the house.

It seems to me there are two or three things that can be said with which we will all agree. They are obvious enough, and yet when I hear the hon. member talk about a decent divorce—and I think I know what he means by that and that there are decent divorces—nevertheless the very phrase seems to me to indicate that we are getting into a frame of mind where divorce is to be regarded as just an ordinary incident of life. I should like to say, and I believe every hon. member will agree, that the growth of divorce in the community is equivalent to the deterioration of society. Thoughtful people everywhere in the United States today are greatly alarmed by it, and I am glad to see that such a widely read magazine as the *Saturday Evening Post* is conducting a sensible and thoughtful series of articles along the lines suggested by the hon. member for St. John's West, trying to educate people and to convince them that just because they happen to step out of the wrong side of the bed in the morning that is no ground for rushing off to get a divorce. I agree with what the hon. member for St. John's West said about the perfectly ludicrous use of the ground of cruelty. I think we have all read enough to know that it easily becomes fantastic and ridiculous. I am sorry that this ground should have been introduced by a serious member such as the hon. member for Spadina because it seems to me it is capable of gross and even of humorous miscarriages, as my friend has said.

There is one other thing that bothers me, or I should say one thing that enters into this. It seems to me that marriage is made much too easy, that people rush into it with little consideration. I am not prepared to say here and now just what hsould be done, but it seems to me it might be possible to make it a much graver matter, to make the ceremony itself much more formal. I once attended a Russian wedding that took place here. It lasted about an hour, and I am told that in Russia in the old days weddings lasted about three hours. I have a feeling that if it took three hours to get married, young people would not enter into marriage so lightly as they do now. That was a formidable ceremony; and I believe fewer marriages would go wrong if those concerned had to spend three hours considering them, instead of rushing into marriage headlong.

I do not wish to take further time except to say that it seems to me we should realize that when we are talking about this we are discussing one of the very foundations of society. You cannot pick up any serious United States publication without realizing that; and I certainly hope this house will stop, look and listen.

Mr. W. F. Carroll (Inverness-Richmond): Mr. Speaker, I did not intend to participate in this debate, and perhaps the few words I have to say can hardly be called participation. I do not think I would have said anything at all but for the statement for one hon. member that it is time to bring our divorce laws up to date. That is a new one on me. Even if they were brought up to the position of divorce laws in the United States today, that might not be sufficiently up to date. In the end it might be necessary to put something in the marriage contract providing that whenever the man or woman wants a divorce or separation or annulment of the contract, he or she may have it. No doubt that would be bringing the law right up to date.

I do not believe in divorce. I said something in this connection previously in this house, which was perhaps misunderstood. I have tried divorce cases and have granted divorces in Nova Scotia because I thought it was my responsibility to do so. That does not mean I believe in divorce, or that I intend to vote for this resolution, which after all is a sort of nebulous thing. Any hon. member of this house who might be appointed to this committee, if it were set up, knows as much about the subject matter of this resolution now as he could possibly learn in any committee. I do not want to charge the courageous gentleman from Spadina (Mr. Croll) with being a coward, but I think it is showing a little cowardice when he suggests a committee instead of introducing a bill embodying these various amendments, because we are not going to learn anything from a committee that we do not know now.

Apart altogether from the religious aspect, divorce is the annulment or breaking of a contract. Who ever heard of a contract coming to an end because a party to it became insane? If he were insane in the first place he could not enter into a contract; but who ever heard of a contract being terminated because one party to it became insane, or who ever heard of the other party to the contract having a right to end it? Or who ever heard that because a person who had entered into a solemn contract ran away and deserted the people for whom he was responsible he was thereby relieved of responsibility? As far as the legal presumption of death is concerned, how long should the period be? I believe there is now on the statute books of this country a provision that if a person is absent from his usual surroundings for seven years he may be presumed for certain purposes to be dead. If he has a wife, at the end of that time she is entitled to marry again, and no charge of bigamy may be brought against her.

I have no quarrel at all with the statement by the hon. member for Fort William (Mr. McIvor) that the cause of divorce is selfishness, largely due to un-Christian habits. I agree further that a great many of our divorces result from hasty marriages. If the licence laws of the various provinces increased the period between the application for the marriage licence and the granting of that licence, there would not be so many divorces. There are too many hasty marriages. After all, are we here to make laws for people who find themselves in unfortunate circumstances? Are we here to relieve people who have made mistakes? Or are we here to make laws for the common good? Who in this chamber today will say that to extend the grounds for divorce would be for the common good?

As far as present divorce laws are concerned, there is some biblical ground for them. Under the old law a man was justified in sending away his wife if she was guilty of adultery. Just how much that law is subject to the even older law, "What God hath joined together let no man put asunder" is a matter of some considerable controversy, and I am not going to discuss that point at all. Marriage is a solemn contract; there is no doubt about that. It is "until death do us part," in every form of religious marriage in this country. A person who enters into that solemn contract or obligation should not be relieved of it for anything less than adultery, in any case.

Personally I believe that if adultery were made a crime in this country we would not have so many divorces. I do not suppose it is news to many hon. members that adultery is a crime in New Brunswick, and has been ever since before confederation. After all, practically every crime in this country today goes back to the ten commandments of God. "Thou shalt not kill. Thou shalt not steal. Thou shalt not commit adultery." If instead of sending this resolution to a committee, as my hon. friend desires, this parliament passed a law making adultery a criminal offence I think it would have a great effect in lessening the number of divorces in this country.

Now, Mr. Speaker, I am not opposing this measure on grounds of religious scruples alone. I would say it is unnecessary for me, as a member of this parliament, to oppose this resolution because I am a Catholic and believe that marriage is a sacramental contract. I believe it would be a bad thing for the general public of this Canada of ours that we all love, and that we all like to see making progress, not only materially but from a Christian standpoint. It would be a bad thing if the grounds for divorce were extended. So far as desertion is concerned, and diseased minds, if they were made grounds it would simply add to the measure of connivance that goes on in divorce today on the grounds of adultery.

I would say this is not for the public good, and we are here to legislate for the public good. We are not here to legislate people out of their difficulties or their troubles. There are methods of helping those people, especially the deserted wives. We are not here to help people out of their misfortunes, brought on by their own selfishness and their own greed. I say on that ground, and that ground alone, I will oppose this resolution to appoint a committee to deal with the subject matter of the motion.

Mr. Croll: My purpose—

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

Mr. David A. Croll (Spadina): Mr. Speaker, the purpose of putting the resolution on the order paper was to obtain a cross-section of the views of the house. We have been able to do that. My friend the hon. member for Inverness-Richmond (Mr. Carroll) may accuse me of cowardice in not forcing a vote, but it was never my intention to force a vote on this matter. It was premature to present a bill until the subject had been canvassed in the house. With the permission of the house, I should like to withdraw the motion.

Motion withdrawn.

Business of the House

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): On Monday, April 17, it being private members' day, we shall follow the rules set out in standing order No. 15. On Tuesday, government day, we would like to move to go into supply and call three new departments. We do not believe this will take very long. Then, we would take up the resolutions to set up the different committees. If time is left, we will proceed with certain resolutions which are the bases of bills.

Mr. Green: Which committees does the minister mean?

Mr. Fournier (Hull): There is one on radio, and there is one on amendments to the elections act. There is also a committee on the national research council. Then there are two or three resolutions for small bills which we would like to move ahead.

At six o'clock the house adjourned, without question put, pursuant to standing order, until Monday, April 17.

HOUSE OF COMMONS

Monday, April 17, 1950

The house met at three o'clock.

OLD AGE PENSIONS

MEANS TEST—REFERENCE TO REMARKS IN DEBATE ON MARCH 30

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, only after the house had adjourned for the Easter recess did I discover that, speaking on March 30, 1950, while I was attending the North Atlantic treaty meeting at The Hague, the hon. member for Lake Centre (Mr. Diefenbaker) was reported at page 1396 of *Hansard* as having said:

> I cannot see this committee carrying out some of the promises made during the election campaign. The minister said that at no time was there ever any suggestion by any minister of the crown of the removal of the means test. That is as I understood his challenge. Well, I checked up the records, and I found that the Minister of National Defence (Mr. Claxton) made a radio address from Montreal on June 16, 1949, over station CFCF, and that was pretty close to the election. This is what the minister said . . .

And the hon. member has accurately quoted the newspaper report.

> The government will do away with the means test for old age pensions.

That is the end of the quotation of what I was reported to have said. Then the hon. member concluded his remarks by saying:

> That is contained in the radio speech as reported in the Montreal press.

That is the end of the quotation from the hon. member's remarks. Actually I never mentioned the means test in my radio speech. What I did say was:

> The Liberal aim is a nation-wide plan of contributory pensions which will help everyone to enjoy a comfortable and secure old age—automatically and as a right.

This, of course, is part of the Liberal platform, as in effect since 1945.

Mr. Diefenbaker: The minister was misreported?

Mr. Claxton: Yes, in this one report only. Two other newspaper reports I have since seen are correct; but in one report I was misreported. It was in no way due to my hon. friend that this mistake occurred.

Mr. Diefenbaker: No; I was quoting from the press.

Mr. Claxton: That is right.

URANIUM

GUARANTEED MINIMUM PRICE FOR PURCHASE IN ORES AND CONCENTRATES

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I wish to make a statement regarding the purchase of uranium ore.

On March 16, 1948, I announced to the house the policies which had been established in connection with the purchase of uranium in ores and concentrates. These policies involved the establishment of a minimum price which was guaranteed for five years from March 31, 1948. With a view to encouraging further prospecting for radioactive minerals, I announced on December 20, 1948, that the period of the guarantee had been extended by two years, that is, until March 31, 1955. In recent weeks the advisory mining committee on radioactive minerals has been giving consideration to a possible further extension of the guarantee period. The committee has recommended that the period of the guarantee be extended to March 31, 1958, and the government has concurred in that recommendation. It is hoped that this further extension will provide an additional incentive to the search for radioactive ores.

In my announcement of March 16, 1948, I stated that the price for the uranium content of ores or concentrates would be at the minimum rate of $2.75 per pound of contained U_3O_8 f.o.b. rail. I stated further—and I quote from my announcement:

> Under special circumstances consideration may be given to the payment of a higher price or to the acceptance of ores or concentrates of a lower grade.

In response to numerous inquiries regarding the application of this special price provision of the purchasing policy, Eldorado Mining and Refining (1944) Limited, the designated purchasing agent for uranium in ores or concentrates, has now established a formula to be used as the basis for negotiating special prices. The details of the formula will be announced shortly by Eldorado Mining and Refining (1944) Limited.

The extension of the period during which a guaranteed price will apply, combined with definite information as to the basis of establishing special prices, will, I think, be helpful to the mining interests concerned with the production of uranium ore.

Uranium

Mr. Green: Are the quantities of uranium ore now being produced considered by the government to be satisfactory?

Mr. Howe: The government has no reason to be dissatisfied. We would like to have more, but we have sufficient for our own purposes and have a surplus to sell to other friendly governments.

Mr. White (Hastings-Peterborough): Would the minister care to comment on the price paid in the United States as compared with the Canadian price?

Mr. Howe: That will be made clear when the formula is announced. The formula has been approved by the government, but it seems to me rather complicated. I am told it is quite intelligible to mining men, but it was not intelligible to me, and therefore I suggested that the mining men who understand it had better announce it. I understand that the formula will be announced tomorrow.

ORDERS IN COUNCIL

TABLING OF SUMMARY MARCH 1, 1950, TO MARCH 31, 1950

Right Hon. L. S. St. Laurent (Prime Minister): I should like to follow the established practice of tabling promptly a summary of orders in council; I now table the summary for the period March 1 to March 31, 1950. As agreed to by the house, this summary does not include a summary of treasury board minutes.

Mr. Diefenbaker: Would it be possible for a member to secure, on request, a summary of the treasury board minutes?

Mr. St. Laurent: Yes, but I hope that the request will not be made too frequently, because to prepare them involves a lot of work. There will be the greatest possible desire to comply promptly with any reasonable request for information about any treasury board minute.

EXTERNAL AFFAIRS

REPORT ON CANADA AND THE UNITED NATIONS 1949

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I should like to table two copies of a report of the Department of External Affairs entitled, "Canada and the United Nations, 1949."

PIPE LINES ACT

PROVISION FOR LOCATION OF MAIN LINE ENTIRELY WITHIN CANADA

Mr. J. S. Sinnott (Springfield) moved for leave to introduce Bill No. 132, to amend the Pipe Lines Act.

[Mr. Howe.]

Some hon. Members: Explain.

Mr. Sinnott: Mr. Speaker, on April 30, 1949, a bill was passed by parliament entitled the Pipe Lines Act, now carried in the statutes of 1949 as chapter 20. The act is quite lengthy, having fifty-three sections. The bill which I am introducing is intended to clarify the discussion on the construction of pipe lines which took place in the house all last session and has continued this session up to the present.

Since parliament adjourned for the Easter recess I have had the opportunity of discussing this matter with my constituents, who believe wholeheartedly that an all-Canadian route should be followed. Like many others in the house, I believe that our friends to the south are our best neighbours—

Mr. Speaker: Order. Is the house satisfied with the explanation?

Some hon. Members: No.

Mr. Speaker: I would ask the hon. member to explain this bill—

Mr. Knowles: Explain his explanation.

Mr. Speaker: —and not present his own views on the subject.

Mr. Sinnott: The act to be amended by this bill is chapter 20 of the statutes of 1949. The amendment suggested is to subsection 1 of section 12, and it provides that the main line shall be located entirely within Canada.

Motion agreed to and bill read the first time.

NORTH ATLANTIC TREATY

IMPLEMENTATION OF ARTICLE 2—ECONOMIC COLLABORATION AMONG SIGNATORY POWERS

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to direct a question to the Secretary of State for External Affairs. In view of the meeting of the Atlantic pact council in London next month, will Canada take the initiative in pressing for the immediate implementation of article 2, which provides for economic collaboration among the signatory powers? If Canada has made proposals to countries individually regarding this matter, can the minister inform the house as to the nature of any replies received?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, the hon. member was good enough to give me notice of his question. As he and other hon. members may have observed in the press, several members of the North Atlantic alliance have expressed an interest in the possibility of giving greater effect to article 2 of the North

Atlantic treaty. It is expected therefore that at the forthcoming meeting of the North Atlantic council in London in the middle of May a useful discussion of this subject will take place, and the Canadian representative will certainly take part therein. Discussions have been taking place between members of the North Atlantic council as to the agenda of the forthcoming council meeting, and in that exchange of views there has been evinced a general desire that some consideration should be given to action under article 2 of the pact. I think that is all I can say on that point at the moment.

JAPANESE GOODS

QUESTION AS TO DUMPING ON CANADIAN MARKET

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to direct a question to the Minister of Trade and Commerce similar to the one I asked the Minister of National Revenue (Mr. McCann) on March 16 last. Will the minister make a statement as to what the government intends to do about the dumping of Japanese goods on the Canadian market? It has put a number of men out of work.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I am quite unable to make such a statement, for the reason that I have nothing to do with the administration of the dumping clause of the Customs Act.

Mr. Fraser: The Minister of Trade and Commerce is supposed to look after that.

Mr. Speaker: Order.

Mr. Fraser: May I direct my question to the Minister of National Revenue? Has anything further been done about the dumping of Japanese goods on the Canadian market?

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, if I may ask a question—further to what?

Mr. Fraser: That is a very good question—further to doing nothing. The people of Canada want something done, because it has put men out of work. Is there any answer?

Mr. McCann: Certain action has been taken in accordance with the Customs Act; dumping duties have been applied.

Mr. Fraser: How have they been applied—on a fair cost or fair laid-down price in Canada, or on the cost in Japan, where labour is so cheap?

Mr. Abbott: Read the act.

Mr. Fraser: The act does not help us a bit.

Inquiries of the Ministry

ATLANTIC COUNCIL FOR PEACE

PROPOSAL BY PREMIER OR GOVERNMENT OF FRANCE

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to direct a question to the Secretary of State for External Affairs. Has the government received from the premier or government of France a proposal suggesting the formation of an Atlantic high council for peace? If so, can the minister inform the house as to the reaction of the government of Canada to the suggestion?

Hon. L. B. Pearson (Secretary of State for External Affairs): No, the government has received no such proposal, but I have noticed references to it in the press. Until we receive some official information concerning it I do not think it would be wise for me to comment thereon.

Mr. Coldwell: When the minister gets that, will he make a statement?

Mr. Pearson: I will take that into consideration.

FOREIGN EXCHANGE CONTROL

FINE IMPOSED ON HOTEL OWNER—QUESTION AS TO APPEAL

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): On April 4 I asked the Minister of Justice whether an appeal was being considered in the case of a hotel owner in respect of the sentence imposed upon him under the exchange regulations. At that time the minister said he was waiting for a report from counsel. Has counsel's report been received, and, if so, is an appeal to be taken?

Hon. Stuart S. Garson (Minister of Justice): What I said on that occasion was that the foreign exchange control board had written to counsel for a report. About four days ago was the last time that I made inquiry, and the report had not then come to hand.

BANKRUPTCY ACT

QUESTION AS TO PROCLAMATION

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): I should like to ask the Minister of Justice when the government intends to proclaim the new Bankruptcy Act.

Hon. Stuart S. Garson (Minister of Justice): We have the matter under consideration with the new superintendent of bankruptcy, and an announcement will be made in due course.

Inquiries of the Ministry

Mr. Smith (Calgary West): Did he say "profane" or "proclaim"?

Mr. Garson: "Proclaim".

OLD AGE PENSIONS

QUESTION AS TO STATEMENT RESPECTING REMOVAL OF MEANS TEST

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I had intended to direct a question to the Minister of National Health and Welfare (Mr. Martin). In his absence perhaps you will permit me to ask my question, and it will serve as notice to him. Did the Minister of National Health and Welfare at any time make any statement to the management and workers of Ford Motor Company of Canada which they could take as an assurance that they could settle their pension negotiations on the basis of the means test being removed from the old age pension in the not far distant future? In any case, will the minister say whether Ford was justified in assuming that this would soon be done?

[*Later:*]

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, earlier today a question was asked by the hon. member for Winnipeg North Centre which is so worded that I cannot give him the kind of answer I would be disposed to give. The only assurance I could give would be that the government was most anxious to give this whole question the fullest consideration, and that it was doing so.

FISHERIES

OPENING OF LOBSTER SEASON—RESOLUTION OF P.E.I. FISHERIES FEDERATION

On the orders of the day:

Mr. W. Chester S. McLure (Queens): I desire to direct a question to the Minister of Fisheries. Has the minister received a resolution from the secretary of the Prince Edward Island fisheries federation suggesting a change in the opening date of the lobster season, namely, that Saturday, April 29, be granted instead of Monday, May 1, 1950? If the resolution has been received, what action has the department taken?

Hon. R. W. Mayhew (Minister of Fisheries): Mr. Speaker, notice was received this morning and the matter is being looked into. I shall probably have an answer by Tuesday or Wednesday.

[Mr. Garson.]

IRON ORE

SALE OF 300,000 TONS FROM BELL ISLAND, NEWFOUNDLAND

On the orders of the day:

Mr. G. F. Higgins (St. John's East): I wish to direct a question to the Minister of Trade and Commerce. Will the minister make a statement as to the present position of the sale of 300,000 tons of iron ore from Bell island?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I have had no recent information about this transaction. It is a transaction between private interests, and is not a matter that would ordinarily be reported to the Minister of Trade and Commerce.

EXTERNAL AFFAIRS

INQUIRY AS TO MEETING OF STANDING COMMITTEE TO CONSIDER ESTIMATES

On the orders of the day:

Mr. Gordon Graydon (Peel): Mr. Speaker, perhaps I should direct my question to the hon. member for Cochrane (Mr. Bradette), but I know that the convenience of the government will be considered and therefore I shall direct it to the Secretary of State for External Affairs. Will it be possible to have a meeting soon of the standing committee on external affairs in order that we may proceed with the consideration of the estimates of that department?

Hon. L. B. Pearson (Secretary of State for External Affairs): I hope that we can have an early meeting of the committee. I am quite ready to appear before it at any time.

TRANS-CANADA HIGHWAY

QUESTION AS TO ROUTE IN PRINCE EDWARD ISLAND

On the orders of the day:

Mr. W. Chester S. McLure (Queens): I desire to direct a question to the Minister of Resources and Development. Has the minister received a petition from a large number of the residents of Crapaud and vicinity, Prince Edward Island, asking for consideration in the location of the trans-Canada highway? If so, what action has been taken?

Hon. Robert H. Winters (Minister of Resources and Development): I have received no such representation.

BUSINESS OF THE HOUSE

INQUIRY AS TO FURTHER LEGISLATION

On the orders of the day:

Mr. Gordon Graydon (Peel): Mr. Speaker, this being the first day of the post-Easter part

of the session, I suggest to the Prime Minister that it might be advisable some time during this week, or at his convenience in any event, that the house be informed as to the full agenda of legislation which the government intends to introduce before the end of the session, in order that members can more conveniently make their plans for the remainder of the session.

Right Hon. L. S. St. Laurent (Prime Minister): I shall be glad to communicate with my colleagues and find out what legislation, in addition to that already listed on the order paper, it may be felt necessary to introduce at this session.

PRIVATE BILLS

PURCHASE BY C. P. R. OF SHAWINIGAN FALLS TERMINAL RAILWAY CAPITAL STOCK

Mr. Roch Pinard (Chambly-Rouville) moved the second reading of Bill No. 88, respecting the purchase by Canadian Pacific Railway Company of shares of the capital stock of the Shawinigan Falls Terminal Railway Company.

Mr. Green: Will the hon. member explain the bill?

Mr. Pinard: Mr. Speaker, I do not believe the purpose of this bill is such as to justify any lengthy explanation on my part. It deals with a very simple matter which I believe is of limited importance, and which would attract very little attention on the part of the general public. The purpose of the bill is to permit the Canadian Pacific Railway Company to purchase the capital stock of the Shawinigan Falls Terminal Railway Company. By virtue of the Railway Act, the Canadian Pacific Railway Company is not authorized to purchase the capital stock of another railway company, and the purpose of this bill is to provide legislative authority for this to be done.

The Shawinigan Falls Terminal Railway Company is a small company operating entirely within the province of Quebec. It was incorporated in 1902 by provincial statute, at which time the capital stock of $200,000 was divided into shares of $100 each. In 1906 the authorized capital was increased to $300,000, the additional $100,000 again being issued in shares of $100 each. This company owns approximately a third of a mile of line, and perhaps a little more than a mile of sidings which are used by industrial concerns in that area, and to carry on its operations it owns and maintains four electric locomotives. Its operations are very simple, consisting of placing on the sidings of the Canadian National and the Canadian Pacific the cars used by industries in that neighbourhood.

Shawinigan Falls Railway

Until recent years it was found advisable to have this operation conducted on that basis; in other words it was considered economical and advantageous to industry, as well as to the advantage of both major railway companies, to have this work done by the terminal railway. In late years, however, the situation has altered materially, for many reasons, so that it is now practically impossible for this small company to operate effectively. The four electric locomotives are in poor condition and would have to be replaced, and the power to operate them is no longer available. The Shawinigan Water and Power Company, which in fact owns all the shares of the terminal railway company, had surplus power which it could sell to the railway company, and this permitted the railway company to operate. Today, however, the power company has no surplus of power, as a result of the great industrial development that has taken place in that area. For these reasons, and others of less importance, following study and negotiations by both the Canadian Pacific and the Canadian National, it has been decided that the operation could be more effectively carried out by the large railway companies themselves. Instead of using electric locomotives, as the terminal railway company did, they will use diesel engines, which will produce better results and give more efficient service.

That, I think, generally explains the purpose of the bill. I should add that the purchase is to be made by both the Canadian Pacific and the Canadian National, each company paying half the purchase price. As I said before, the capital stock has a face value of $300,000, but the purchase price is to be $125,000, to be paid in equal proportions by the Canadian National and Canadian Pacific. In other words each company will pay approximately $62,500 for the capital stock of this terminal railway company. As I stated earlier, the Canadian Pacific Railway Company requires authorization from parliament to make this purchase, while the Canadian National already has authority by virtue of its own act. If hon. members will look at the explanatory note they will see that section 147 of the Railway Act prohibits the Canadian Pacific from making such purchases, while on the other hand if they refer to the legislation setting up the Canadian National Railways they will see that it authorizes purchases of this kind.

If any other information should be required I think it might be better obtained from the representatives of both major railway companies when this bill is referred to the appropriate standing committee.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

ALBERTA NATURAL GAS COMPANY

The house resumed, from Monday, April 3, consideration of the motion of Mr. Maybank for the second reading of Bill No. 7, respecting Alberta Natural Gas Company, and the motion of Mr. MacDougall: "That this question be now put".

Mr. D. S. Harkness (Calgary East): Mr. Speaker, this bill, and Bill No. 9, have been debated for a considerable length of time, both this session and last session. During the course of the debate many strong arguments have been put forward as to why these bills should not be passed in their present form. No one supporting the bills has effectively answered those arguments. At this stage in the proceedings I do not propose to take the time to repeat the arguments against the bills, but I would say that those of us who have opposed them, and are still opposed to them, have endeavoured to show why the object of the two companies seeking incorporation—that is, the building of a pipe line to carry natural gas from Alberta to the west coast, running for its main length through the United States—is not in the best interests of Canada.

I may say that we have had considerable success in securing support for our views, if not in this house, at least throughout the country. This has been illustrated by the numerous editorials and other articles which have appeared in the press, as well as the various resolutions passed by organizations and sent to members and governments supporting the views we have put forward. This has been particularly true in the case of British Columbia. As a result I think there is now a considerable body of public opinion strongly opposed to the building of a gas pipe line the major portion of which will run through the United States rather than through Canada. This being so, I believe that, no matter what may be done on second reading of these two bills, public opinion will prevent the building of a line through the United States, even though it seems to be the intention of the government and its supporters in this house to push the bills through in their present form without any safeguards as to where such pipe lines may be built.

There has been a considerable amount of complaint about the length of time this debate has occupied. The debate has been continued for two reasons. The first was to bring the facts of the matter to public attention, and that has been done. As I have already stated, the result has been that a great deal of support has been stirred up for an all-Canadian route. Second, we had hoped that the companies concerned would announce their intention of building the line entirely within Canada. Such an announcement has not been made by either of the companies, so that we have been disappointed in that hope. Although on numerous occasions it has been stated that all that was required to remove our opposition to this bill was an announcement on the part of the incorporators that the line would run through Canada, no such announcement has been made. This indicates strongly that the company intends, if at all possible, to build the line in the United States. In view of that we must continue to oppose that purpose, and I trust that when the vote is taken on both these bills all members of this house who place Canada's interests first will vote against them.

During the past ten days the majority of members have been back in their constituencies, and have thus had an opportunity of finding out what their constituents think about it. It have no doubt that, as a result, some members will have changed their minds in connection with these bills, and will have come to the point where they can see that they must oppose the bills in their present form.

During the course of this debate government supporters have had recourse to the old trick of attempting to draw a red herring across the real issue by raising the cry of monopoly. The speeches in support of these bills during the two weeks immediately before the Easter recess practically all concentrated on that cry of "monopoly, monopoly." It was stated that by opposing these bills we were encouraging or setting up a monopoly. This was an attempt on the part of the supporters of these bills to place those of us who opposed them in the position of encouraging monopolies.

Such an attempt is shown for what it really is, by the fact that we have given repeated pledges that we will withdraw our opposition if the companies will announce their intention to build the line through Canada; therefore we are not trying to encourage monopolies. I do not think anyone in this house has any such idea. The matter is just as simple as that.

As soon as any company, it does not matter which one, undertakes to build a pipe line through Canada, it will receive my support and I believe the support of everyone in this house. Time and again the argument has been put forward that since one company already has a charter which does not specify a Canadian route, every other company which

applies for a charter should receive a similar one. Such an argument means that because a mistake was made when the first company applied for a charter, we should continue that mistake. That is poor logic. Many of us have said that the mistake was made when the general pipe lines bill was put through without a provision that the route must be specified before a charter is granted. We have also said many times that we believe it was a mistake to grant the Westcoast Transmission Company a charter without the route being specified. The fact that those mistakes were made is certainly no excuse for repeating them in this case.

Immediately before Easter one speaker suggested that the Westcoast Transmission Company had tried to deceive parliament by giving a committee of this house an assurance that a route would be built from the northern part of Alberta through British Columbia to Vancouver, and that no reliance could be placed on that statement. Associated with that statement was the matter of another application made by that company to build a line from the southern part of Alberta down through the United States. An attempt was made to show that this company was not acting in good faith, since it had repeatedly announced its intention to build a line through the Yellowhead pass to Vancouver. It is not my purpose to defend any particular company, but I think the issue should be considered in a fair manner. All that needs to be done is to examine the representations which have been made on the application made by this company to the Alberta natural gas and oil conservation board, the sittings of which have occupied some weeks. The reasons given during the hearings, the data and everything else that was given in connection with the building of the gas pipe line from Edmonton, indicated that it would go through the Yellowhead pass to the coast.

As I say, to anyone familiar with these proceedings this is quite sufficient to dispel any idea that this other company is acting in bad faith. All these arguments in connection with monopoly and in connection with this other company are entirely aside from the main issue, which is whether the line will be built in Canada and thus serve the maximum number of Canadians, or whether it will be built mainly in the United States and thus will serve a minimum number of Canadians and provide a minimum amount of employment for our own people.

It has been made abundantly clear during this debate that the Minister of Trade and Commerce (Mr. Howe) and this government are determined to put these bills through, for reasons which seem inexplicable to me; because there is no question that the putting through of these bills, and hence the building of these gas lines in their main length through the United States, will encourage development and employment in the states of Washington and Oregon at the expense of the provinces of British Columbia and Alberta.

I do not wish to take up any more of the time of the house or to give any impression of delaying further the passage of these bills. I trust that a large number of Liberal members, particularly those from British Columbia since their trips back to their constituencies, will now join with us in preventing these bills from going through, and thus protecting the interests of Canada.

Mr. A. L. Smith (Calgary West): I am sure, Mr. Speaker, that you will be joined by many other members of this house in welcoming the assurance I now give you, namely, that this will be the last occasion on which I shall be speaking on these matters on second reading.

I have listened to every word that has been spoken in this prolonged debate. I have no intention now of reviewing the objections taken to the bills, but I wish to make reference to some remarks made in favour of them—or rather I should say the speakers rose to speak in favour of them. I refer first to the speech made by the hon. member for Comox-Alberni (Mr. Gibson) on the last occasion on which this bill was discussed in this house. In what he said there is one thing with which I can agree in its entirety, and that is that I was his guest at the meeting of the truck loggers' association last winter. If any of you ever have the opportunity of being the guest of the hon. member and the truck loggers of British Columbia, let nothing stand in your way; accept even if the date is a year hence. May I add that if you can survive the Niagara of their hospitality, you are a better man than I am, and I do not need to add "Gunga Din"; I just leave it where it stands.

The hon. member for Comox-Alberni made an excellent speech. I have often wondered how it was that such great diplomacy should have gone astray and that the hon. member should be a truck logger. In Vancouver I met his three brothers. They are truck loggers; they are big fellows and they look like truck loggers, this grand family, the four Gibson boys. This may be apocryphal, because it is all from my imagination, but when I saw the wonderful standing the hon. member for Comox-Alberni had with those three big brothers; when I observed the way

in which they fell in line with every suggestion he seemed to make, in view of the fact that most youngsters have nicknames I am quite sure he must have been called "Smoothy Jack" by his brothers in their younger days. That was the type of grand speech that he made in this House of Commons.

I want to disagree with the hon. member's assumption from an erroneous impression that has been abroad in the house with respect to applications made before the board of transport commissioners. I think this idea emanated from the hon. member for Coast-Capilano (Mr. Sinclair) who, with his usual diligent research methods, found that an application had been made by the Westcoast Transmission Company for the same line which is now being sought by the company whose bill is before us, and that they were in some way saving up that application for the board of transport commissioners, to spring it one day on an unsuspecting public. Any lawyer in this house who knows anything at all about the practice before the board of transport commissioners knows that that is the sheerest and merest nonsense. Things do not go there in the way of a letter and then live for ever. Under the practice of the board, an application unproceeded with is as dead as last year's grass. With that comment I leave the remarks made by the hon. member for Comox-Alberni, except to say that I intend later, in a general way, to answer his suggestion as to the advisability of this matter going to a committee now. I will answer that suggestion in a moment, but I will answer the general statement rather than anything said about it by the hon. member.

I turn now to the remarks made by my old friend the hon. member for Yorkton (Mr. Stewart). He seemed somewhat perturbed. He honoured me by mentioning me specifically in connection with two or three matters. In the first place he told you that I had stated before a service club in Ottawa—I have forgotten which one, but I made the statement—the amount of gas now being wasted and what you could do with it in the cities of Montreal, Toronto and Ottawa. He seemed to think that I was misquoted or was using my imagination in the statement I then made. I have nothing to withdraw so far as that statement goes, because today in Alberta the gas from between 600 and 700 oil wells is being wasted, burnt in flares on standpipes running off from these many and various wells. So that one can get some conception of the amount of this gas we have there. It might be worth while noting that only two or three days ago Dr. Dodds, one of the best known geologists on the continent, in estimating the present determined reserves in that area put it at six and three-quarter trillion feet. So do not let anyone think that we have not gas in Alberta sufficient for the purposes set out in any of the three bills before us now.

Then, however, he proceeded to make a statement with which I must disagree. Some hon. members may recall that in a discussion in the house the Prime Minister (Mr. St. Laurent) said that the primary responsibility in connection with the export of this gas from my province rested with the province of Alberta. He then went on to compare that situation with the one in Ontario and Quebec whereby those provinces limit the export of pulpwood in log form. In other words they have said they want it fabricated in those provinces into pulpwood.

My interjection at that time consisted of only four words, "That is, by contract." I am sure if the Prime Minister were here he would see my point, and the fact that I was in agreement with him. But with the greatest of respect and with all due deference to that great lawyer I am not in agreement in so far as the application of that principle to gas is concerned. I believe the law, simply put, is that Alberta has no more power than I have to forbid the export of gas from that province. Export is something solely within the control of the federal government. We have seen many embargoes imposed by the federal authority, but we have never seen any attempt made by any province to go into that field.

My answer to the Prime Minister's reference to pulpwood is that that is a matter of contract between those who work the timber limits and the owners of crown lands both in Ontario and Quebec. It is clear that by contract we may permit someone to use our lands. By contract we may confine him to certain uses he may make of those lands. But the parallel does not follow in Alberta at all.

It may seem strange to hear me say this, but in the debate we have heard a good deal about monopoly, and about Alberta dealing with a number of people with a view to securing the best price. Mr. Speaker, the province of Alberta has nothing to sell—nothing—except a royalty to the extent of 12½ per cent in respect of the gas produced from the land, and from the persons who obtained those lands from Alberta, from the Canadian Pacific Railway, from the Hudson's Bay Company and from some individual owners. With the exception of the 12½ per cent, that is already alienated. Hon. members may be interested to know just what this royalty means. When one keeps an overriding royalty,

as the province has in this instance in respect of both oil and gas, it means that, at no expense to the owner of the royalty, they have the benefit of a percentage—and in this instance it is 12½ per cent.

That royalty may be taken in kind. In other words, one may accept the oil or the gas or, as happens in 100 per cent of the cases, one may take from the producer the money represented by the sale of that 12½ per cent.

I suggest therefore that in the debate we have been proceeding on a false assumption. I am not expressing the opinion that the act in Alberta, by which that province assumes to control the disposal of this gas, is entirely ultra vires, because the province has the right of conservation. Indeed, they describe their act as a conservation act. Yet one cannot do indirectly that which he cannot do directly; and to use the word "conservation" as a basis for forbidding export becomes utterly silly when one realizes, on the one hand, that conservation means a saving and, on the other, that gas today is going into the air, that it is being flared and completely wasted.

So when the time comes for the ringing of the final bell this parliament in Ottawa will find that it cannot divest itself of authority to deal with this matter simply by passing the buck to Alberta, to the transport board, or to anyone else.

I then turn, not to mention the new bill we have seen today, but to refer to the speech of the hon. member for Springfield (Mr. Sinnott), in which, as I thought, he expressed himself as being in complete agreement with many hon. members, nearly all of whom have said publicly that they want to have this pipe line built within Canada. I know the hon. member wants to have that done; but when he told us that it was the purpose of his bill to eliminate the words "or outside Canada"—

Mr. Speaker: Is the hon. member referring to the speech made by the hon. member for Springfield a few days ago?

Mr. Smith (Calgary West): I am not referring to the speech made today. He told us clearly what his views were and what he was going to do. I shall not pursue the matter further, because I do not wish to discuss that bill. Rather I shall content myself by saying that I find some difficulty in agreeing with him because in giving power to a corporation the Dominion of Canada has no right to give powers outside Canada. Those powers can be given within Canada only; that is the only way in which parliament can function.

Mr. Sinnott: Did the hon. member understand that it was my desire through the act to permit the company to build outside of Canada?

Mr. Smith (Calgary West): No; I understood quite the contrary.

Mr. Sinnott: It is to delete the words "or outside Canada".

Mr. Smith (Calgary West): I understand that.

I now turn to the only assurance given the house by anyone supporting the bill, namely that given by the Minister of Trade and Commerce (Mr. Howe). When I heard it I must say I was greatly pleased, because I was not smart enough at that time to appreciate fully what the undertaking was. For a moment I was foolish enough to think that the minister had given us the undertaking that the line would be built within Canada. An examination of his statement does not bear that out. His statement was that no gas would be exported to the United States until the pipe line had been completed to Vancouver. You can build your pipe line to Vancouver on United States soil without having exported any gas to the United States because there would be no gas in the pipe line. The minister could live up to his undertaking by building the line through the United States to Vancouver with no gas being exported, and then at his own sweet time and convenience the pipe line could be filled and the export of gas to the United States commenced. But his undertaking would have been carried out because the line would have been built to Vancouver.

Mr. Howe: On a question of privilege, will my hon. friend give me the reference in *Hansard* he is quoting from? Is he quoting my exact statement?

Mr. Green: Page 792.

Mr. Howe: Will the hon. member please send it across to me?

Mr. Smith (Calgary West): I think I quoted the minister accurately.

Mr. Howe: I hope you did. If you did not, I ask the right to correct your statement.

Mr. Smith (Calgary West): Oh, yes.

Mr. Graydon: You have been too busy reading the Senate *Hansard*.

Mr. Smith (Calgary West): Please do not misunderstand me. If I have said anything wrong I want to be corrected.

Mr. Sinnott: Let us get it straight now.

Mr. Smith (Calgary West): The hon. member may criticize his minister, but I shall do it as it suits my own time, without following his lead. I think it is fair to say that no member of the House of Commons is anxious to favour any one of the three companies that have been before us so far. I think that is

a fair statement to make and certainly it is one in which I believe thoroughly. The company that was previously incorporated, the Westcoast Transmission Company, is now before the Alberta board and the hearing has lasted I believe five weeks and should last at least another week. That board is sitting right now and is considering an application for the export of gas by one route and one route only, from northern Alberta across northern British Columbia, down the north Thompson to Kamloops, down to Princeton and up to Hope and into Vancouver, with a branch line running south to the northwest United States.

Here is the position which I maintain and which I say is a just position. So far as this house is concerned no one company should be in a superior position to any other company. Let there be a fair field with no favourites. Let all the companies be placed in position to come before either of these boards to look after their own business on their own.

How can that be done? It can be done in a number of ways, one of which is by means of a short amendment to the Pipe Lines Act providing that any gas lines from Alberta to Vancouver shall be built on Canadian soil. Then you would not need to interfere with any of the private bills. Perhaps we do not want to do it that way, perhaps we would like to amend the private acts. That is a much more difficult process and in connection with the two remaining companies it is impossible because it has been moved that the question be now put, which ends all amendments.

I am prepared to go further. I am prepared to dispense with legislation provided I can have assurance from the sponsor of this or the other bill, from the Minister of Trade and Commerce in whom the final authority lies with respect to export, or from any responsible person that the line we are now debating will be built from Alberta to Vancouver through the Dominion of Canada. I will be ready to vote for the bill on that assurance. I am ready to accept that assurance from any one in authority among those who are supporting these bills at the present time. That does not look as though we have an axe to grind or anything of that kind.

Mr. Benidickson: The suggestion is a very interesting one, but simply to get the assurance from the sponsor of the bill we are now debating would not be binding upon the company incorporated last year.

Mr. Smith (Calgary West): That has been given already by the sponsor of that bill, the hon. member for Fraser Valley (Mr. Cruickshank).

[Mr. Smith (Calgary West).]

Mr. Benidickson: Where does that appear in *Hansard?*

Mr. Smith (Calgary West): I am quite sure that I heard the hon. member make that assertion, I think during this present session.

Mr. Benidickson: It is not there; it never was made in this house.

Mr. Smith (Calgary West): I will support any legislation that the hon. member or anyone else cares to draft to provide that these pipe lines shall be built within Canada. I want to make it plain that all we are seeking is to have these lines laid in this country. When the hon. member rose I thought he was going to suggest that to obtain this would mean delay, but I think I can answer that. On the last occasion when this bill was being debated Mr. Dixon, the organizer—a very fine gentleman, too— and Mr. Austin Taylor, one of the incorporators, sat all afternoon in the gallery of this House of Commons behind me and a trifle to the left.

There would be no difficulty about getting authority. The hon. member for Comox-Alberni (Mr. Gibson) has said that this bill should be sent to a committee where we could find out where the pipe line was going. Why cannot we find out now? We have been debating these bills for weeks on one thing: Where is the pipe line going? Every opportunity has been given to those interested to tell us that. My judgment is that this is where we should find out so that we cannot be accused of passing a bill that is completely in the air.

To those of you who are keen on committees and who do not know just how far any committee should go, may I say that the hearing that is going on right now in Alberta—I do not know whether they adjourned on Saturday, but I do not think so—has lasted about six weeks. A tremendous amount of testimony has been offered. If you are going to form a judgment as to what should be done you are in this position: There are many things entering into the matter, and I do not think that members of a committee of this house are equipped either with the experience or with the knowledge to pass fairly on the details of such an arrangement. Therefore I again make the suggestion that we should find out from these people that they are going to build the pipe line in the Dominion of Canada. If they do that, then I do not care where they build it. Let them tell us that now, and they will get their charters through the House of Commons in nothing flat. Why do we not get that assurance? The only reason—and everybody must now be convinced as to what it is—is that they do not intend to build through Canada. If they had had any intention of building the line through

the Dominion of Canada all that they would have needed to do in the last weeks and months would have been to say so. Having received the many invitations which they have received, I am then driven to the conclusion that they do not intend to build it in Canada. Therefore, so far as I am concerned, until the time arrives when they do so I will oppose the measure, and I will oppose similar bills that may come before the House of Commons on other occasions because in my judgment they are giving away our birthright.

I do not want to close on that note. I want to say a word to the two members who are responsible for the introduction of these measures. Why will they not now, even at this late moment, come forward and say that they will build through Canada? Then we shall all be in agreement about the incorporation of these companies, and the House of Commons can get on with its other business.

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

YEAS

Messrs:

Abbott
Anderson
Applewhaite
Arsenault
Ashbourne
Bater
Beaudoin
Belzile
Benidickson
Bennett
Bertrand
Beyerstein
Blackmore
Boucher
Bradette
Bradley
Brown (Essex West)
Bruneau
Cauchon
Cavers
Chevrier
Clark
Cleaver
Corry
Cote (St. Johns-Iberville-Napierville)
Cote (Matapedia-Matane)
Cote (Verdun-LaSalle)
Croll
Dickey
Dube
Dumas
Eyre
Fair
Ferrie
Fournier (Hull)
Fulford
Garson
Gauthier (Sudbury)
George
Gingues
Hansell
Harris (Grey-Bruce)
Helme
Henderson
Hetland
Hosking
Howe
Huffman
Isnor
Jutras
Kent
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
Laing
Langlois (Berthier-Maskinonge)
Langlois (Gaspe)
Lapointe
Larson
Lefrancois
Lesage
Little
Low
MacLean (Cape Breton North and Victoria)
MacNaught
McCann
McCubbin
McCusker
McLean (Huron-Perth)
Major
Masse
Martin
Matthews
Mayhew
Murray (Oxford)
Pearson
Pinard
Proudfoot
Prudham
Quelch
Richard (Ottawa East)
Riley
Roberge
Robertson
Rooney
St. Laurent
Shaw
Simmons
Sinclair
Sinnott
Smith (Queens-Shelburne)
Stewart (Yorkton)
Stick
Stuart (Charlotte)
Thomas
Ward
Warren
Weaver
Whitman
Winkler
Winters—100.

NAYS

Messrs:

Aylesworth
Blair
Brooks
Browne (St. John's West)
Casselman
Catherwood
Charlton
Coldwell
Coyle
Cruickshank
Fleming
Fraser
Fulton
Gillis
Graydon
Green
Harkness
Higgins
Jones
Knight
Knowles
Lennard
MacInnis
McGregor
McLure
Noseworthy
White (Hastings-Peterborough)
White (Middlesex East)
—28.

Mr. Harris (Danforth): I was paired with the hon. member for Waterloo North (Mr. Breithaupt). Had I voted I would have voted against the motion.

Mr. Mitchell: I was paired with the hon. member for Waterloo South (Mr. Homuth). Had I voted I would have voted for the motion.

Mr. Ross (Souris): I was paired with the hon. member for Melville (Mr. Gardiner). Had I voted I would have voted against the motion.

Mr. Smith (Calgary West): I was paired with the hon. member for Edmonton East (Mr. Macdonald). Had I voted I would have voted against the motion. I thought I should announce it, even though this is a private bill.

Mr. Cardiff: I was paired with the hon. member for Chateauguay-Huntingdon-Laprairie (Mr. Black). Had I voted I would have voted against the motion.

Mr. Speaker: The question now is on the motion for second reading of the bill.

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

YEAS

Messrs:

Abbott
Anderson
Applewhaite
Arsenault
Ashbourne
Bater
Beaudoin
Belzile
Benidickson
Bennett
Bertrand
Beyerstein
Blackmore
Blanchette
Boucher
Bradette
Bradley
Brown (Essex West)
Bruneau
Cauchon
Cavers
Chevrier
Clark
Cleaver
Corry

Alberta Natural Gas Company

Cote (St. Johns-Iberville-Napierville)	MacKenzie
Cote (Matapedia-Matane)	MacLean (Cape Breton North and Victoria)
Cote (Verdun-LaSalle)	MacNaught
Croll	McCann
Dickey	McCubbin
Dube	McCusker
Dumas	McLean (Huron-Perth)
Eyre	Major
Fair	Masse
Ferrie	Martin
Fournier (Hull)	Matthews
Fulford	Mayhew
Garson	Murray (Oxford)
Gauthier (Sudbury)	Pearson
George	Pinard
Gingues	Proudfoot
Hansell	Prudham
Harris (Grey-Bruce)	Quelch
Helme	Richard (Ottawa East)
Henderson	Riley
Hetland	Roberge
Hosking	Robertson
Howe	Rooney
Huffman	St. Laurent
Isnor	Shaw
Jutras	Simmons
Kent	Sinclair
Kirk (Antigonish-Guysborough)	Smith (Queens-Shelburne)
Kirk (Digby-Yarmouth)	Stewart (Yorkton)
Laing	Stick
Langlois (Berthier-Maskinonge)	Stuart (Charlotte)
Langlois (Gaspe)	Thomas
Lapointe	Ward
Larson	Warren
Lefrançois	Weaver
Lesage	Whitman
Little	Winkler
Low	Winters—101.

NAYS

Messrs:

Aylesworth	Harkness
Blair	Higgins
Brooks	Jones
Browne (St. John's West)	Knight
Casselman	Knowles
Catherwood	Lennard
Charlton	MacInnis
Coldwell	McGregor
Coyle	McLure
Cruickshank	Noseworthy
Fleming	Tustin
Fraser	White (Hastings-Peterborough)
Fulton	White (Middlesex East)
Gillis	—29.
Graydon	
Green	

Mr. Harris (Danforth): I was paired, Mr. Speaker. If I had not been paired, I would have voted against the bill.

Mr. Ross (Souris): I was paired with the hon. member for Melville (Mr. Gardiner). Had I voted, I would have voted against the motion.

Mr. Smith (Calgary West): I was paired with the hon. member for Edmonton East (Mr. Macdonald). Had I voted, I would have voted against the motion.

Mr. Cardiff: I was paired. If I had voted, I would have voted against the motion.

[Mr. Speaker.]

Mr. Mitchell: I was paired with the hon. member for Waterloo South (Mr. Homuth). Had I voted, I would have voted for the motion.

Bill read the second time.

Mr. W. M. Benidickson (Kenora-Rainy River): I move, for the hon. member for Winnipeg South Centre (Mr. Maybank), that this bill be referred to the standing committee on railways, canals and telegraph lines.

Mr. O. L. Jones (Yale): Before this bill is referred to the committee, I should like to move a motion of instruction, seconded by the hon. member for Vancouver East (Mr. MacInnis). The motion is as follows:

> That it be an instruction to the committee to which Bill No. 7 is referred that they have power to amend the said bill so as to provide that the route of any pipe line built by the proposed company will be laid out so as to serve Canadian requirements before any such pipe line leaves Canadian soil.

I wish to move this motion of instruction in view of the fact that this bill has had a thorough airing in this house. Valuable contributions have been made in the debate and we have had the advantage of the knowledge and of the views expressed by some hon. members about the facilities that will be afforded our Canadian communities through the building of this pipe line. I feel it is the duty of the members of this house, who have heard these debates, to pass on an instruction to the committee, knowing full well that, after listening to these debates, we are more capable of knowing the requirements of the people of Canada than a committee could possibly be. I am not questioning the personnel of the committee, Mr. Speaker,—

Mr. Speaker: Order. The question which has occurred to me is this. If this motion is in order, is it debatable? It does not appear to be debatable under standing order 38, which sets forth the motions which are debatable.

Mr. Knowles: May I draw to Your Honour's attention the fact that, on recent occasions when motions of instruction have been moved, debate has been permitted on them. That happened in 1948, on March 15, as is clearly set out both in *Hansard* and in the *Journals*. It happened again in 1949, on April 8. I could give the details as to the motions that were before the house, but it is hardly necessary to take the time to do so. It is, however, quite clear that on both of those occasions a motion of instruction was debated by the house. On the former occasion, namely, March 15, 1948, after a fair amount of debate, a vote was taken on the matter, as

set out in *Hansard*; and the *Journals* also make it clear that there was a debate, for this is the entry:

> After debate thereon, the question being put on the said motion; it was negatived, on the following division:

That appears at page 255 of the *Journals* for 1948.

Mr. Speaker: I quite agree with the hon. member for Winnipeg North Centre (Mr. Knowles) that a similar motion was debated at that time. I doubt, however, whether it was proper to debate it. I recall the debate quite well. No one took exception to the debate, and I do not think the Speaker's attention was drawn at that time by the house to standing order 38, which sets forth the motions that are debatable. I do not see any provision in the rules whereby it is permissible to debate such a motion.

Mr. St. Laurent: On the motion itself, Mr. Speaker, I think it would be of interest to the members of the house if you expressed your opinion as to whether with regard to a private bill that kind of motion can be made without notice. I would draw your attention to standing order 104 which provides that, when a private bill has been read a second time, it is automatically referred to a committee. This is a standing order which, I submit, requires Your Honour to refer the bill to a committee as soon as the motion for second reading of it has been adopted. After second reading, the standing order takes it out of the jurisdiction of the house and Your Honour is required to refer it to a committee. If there is to be an instruction to that committee, this could only be on a motion that would require notice, as do all other substantive motions that come up as new matters. My submission is that, in view of standing order 104, the motion of instruction to the committee is new matter that cannot properly be brought before the house without notice.

Mr. Speaker: I should like to say that in my opinion the motion, if it was in order, should have been made before the motion to refer the bill to the committee, and not after. There is now a motion that the bill be referred to a committee. That motion is not debatable. If the motion were in order—leaving aside for the time being the point raised a moment ago by the Prime Minister (Mr. St. Laurent)—it should have been made before the motion to refer the bill to the committee.

Mr. Knowles: I agree with Your Honour as to the desirability of a motion of this kind being made after the motion for second reading is carried and before the motion to refer has been put. I point out however that the hon. member for Kenora-Rainy River (Mr. Benidickson) and the hon. member for Yale (Mr. Jones) were on their feet at the same time.

Some hon. Members: No.

Mr. Knowles: Oh, yes. In fact I did not hear Your Honour put the motion made by the hon. member for Kenora-Rainy River before the hon. member for Yale moved his motion of instruction. I do not believe Your Honour has put it yet. I wish to say, however, that even if Your Honour has put that motion you will recognize, from the study you have had to make of the matter, that there is some confusion as to the way in which this type of motion is to be made. I agree with Your Honour as to the place where it ought to be made; but it is a fact that it has been made at different points on different occasions. As a matter of fact I indicated a moment ago that on March 15, 1948, and again on March 19, 1948, motions of instruction were made. On both of those occasions the motion of instruction was made after second reading and before the motion to refer the bill in question to the committee. The instance on March 15, 1948, was a motion of mine having to do with the Continuation of Transitional Measures Act. The instance on March 19, 1948, was a motion by the Minister of Trade and Commerce (Mr. Howe) having to do with an amendment to the Canadian Wheat Board Act.

But it so happened that on April 8, 1949, the following year, the hon. member for Melfort (Mr. Wright) sought to move the same kind of motion at the same place in relation to another bill dealing with agriculture, and the Speaker who was in the chair at that time preferred that the motion wait until the motion had been made to refer the bill to a committee.

I recall having had considerable discussion with him and with the former clerk of the house in connection with the matter, and we had to admit that there was confusion in the various citations regarding this matter.

If Your Honour takes the position that there is now before the house the motion of the hon. member for Kenora-Rainy River, then I would call your attention to citation 411 in Beauchesne's third edition, which says:

> If an instruction is moved when the motion to leave the chair is proposed, then it becomes an amendment which, if agreed to, supersedes the motion for the house to go into the committee which cannot be proceeded with for the time being.

I submit that according to this citation, which, I confess, is contrary to some of the other citations, a case can be made for moving an amendment either before a motion for

reference to a committee is made, or as an amendment to the motion for reference to a committee.

Assuming, therefore, that the correct position now is that the motion proposed by the hon. member for Kenora-Rainy River has not yet been put to the house, the motion of the hon. member for Yale should come in before that motion is made.

Mr. St. Laurent: My point is that no motion for reference to the committee is required or in order. It is a standing order of the house that as soon as second reading of a private bill has been adopted by the house it is referred automatically to the proper committee.

Mr. Knowles: On motion.

Mr. St. Laurent: No motion is required. The house is not required to make the decision. The standing order makes the decision, and it is only for Your Honour to carry out the decision made by the standing order that, when the house has dealt with a private bill and has ordered its second reading, then it has ceased to have further jurisdiction over that private bill until it has come back from the proper committee to which, under the standing order, it must automatically go.

Mr. Graydon: Better have a talk with the hon. member for Kenora-Rainy River.

Mr. St. Laurent: I am having a talk at the present time with Mr. Speaker. I am quite satisfied with the forum I have chosen. When I require advice as to the choice of my forum I will ask the hon. member for Peel (Mr. Graydon) for it.

Mr. Speaker: With respect to the observations of the hon. member for Winnipeg North Centre it would appear that the two references to which he referred are in contradiction. The confusion arises from the procedure in the British House of Commons where there are two motions. In this house we have but one motion. I believe the procedure here on public bills is that the instruction is given before the motion to refer a bill to committee of the whole.

The point raised by the Prime Minister is, I feel, well taken. Private bills are of a different nature from public bills. I have said that previously in the house. The principle of a private bill is approved on second reading, subject to confirmation upon satisfactory proof when the bill is before the committee.

As the Prime Minister has so well pointed out, standing order 104 makes it obligatory to refer a private bill, once it has received second reading, to one of the standing committees. It has been the practice in the house to put the motion; but this is merely procedural and the motion is not debatable. It has however been the practice to put the motion. However, as the Prime Minister has pointed out, it is not necessary to put the motion, as such a bill must be referred to one of the committees. I believe I should follow out the suggested procedure; and I think it would expedite proceedings in the house on all private bills if, beginning today and for the future, when a private bill has received second reading Mr. Speaker were to refer it to one of the standing committees.

I rule accordingly. Therefore I do refer this bill to the standing committee on railways, canals and telegraph lines.

Mr. Graydon: What happens to the motion? The Prime Minister washed it out.

Mr. Fournier (Hull): We will send it over to you.

Mr. St. Laurent: You may have it for future occasions.

PRAIRIE TRANSMISSION LINES LIMITED

The house resumed, from Tuesday, April 4, consideration of the motion of Mr. Benidickson for the second reading of Bill No. 9, to incorporate Prairie Transmission Lines, Limited, and the motion of Mr. Macdonald (Edmonton East): "That this question be now put."

Mr. O. L. Jones (Yale): Mr. Speaker, when I last spoke in the debate I felt that one or two points in connection with criticism concerning the stand taken by the group to which I belong should be cleared up. Criticism has been made of small minorities in the house for exercising what, to my mind, is the right of all minorities, that of expressing themselves in the only way possible, namely by speaking and by talking about the subject under discussion. It is true there is a limit to what can be done and that limit is the patience of the government to wait until our speakers are exhausted. That point has just about been reached. I do not think the hon. member meant to suggest for one moment that minorities have no rights in this house. It is true that he did not suggest that might is right, but he might as well have said it because of the manner in which he referred to the action taken by the minority in regard to this bill.

I take strong exception to the way in which this bill has been presented. For two sessions now we have not been able to change it one iota. All we are asking is that a Canadian route be guaranteed, but we are told that we must accept the bill as it is. This is not the only raw material we are shipping from Canada to the United States in order to help build up that country. I have in mind lumber, ore and pulp. These materials are

being sent to the United States where they are being fabricated into high-priced commodities. Naturally our Canadian youth follow the raw materials because they find more attractive pay and working conditions in connection with their fabrication than are to be found in the saw mills and mines of Canada. We should keep our raw materials in Canada to build up our own industries. We should encourage our youth to develop a Canadian concept of society rather than a United States concept. They should be encouraged to stay with us and develop our own country.

Reference has been made already to the homes and communities that would be built up in western Canada and I do not intend to repeat those arguments. In British Columbia—this is possibly true of the other provinces—there is a good deal of unemployment at the present time. We have not done a great deal to solve our unemployment problem through the development of our own industries. I do believe that if this pipe line were constructed through the interior of British Columbia the development that would follow would entirely wipe out unemployment in that province. Not only would it do that; it would help to balance our economy and conserve United States dollars.

On the other hand the claim is made that a monopoly is being built up by allowing this one company to carry on, although there are two companies now. The very nature of a gas pipe line is a monopoly the way things are handled today. Once the gas crosses the border and is in the hands of the United States distributors a monopoly is created. I should like to quote a statement made by Senator Gillette in the United States Senate as reported in the *Congressional Record* of Monday, March 20, 1950. He was dealing with the question of monopolies based on pipe lines and he referred to the throttle-hold on society which these monopolistic enterprises had. Reference has been made to the vast empire we are throwing away by allowing this commodity to go into the United States, because once it has reached that country it will be helping to develop industry there. Referring to monopolies, Senator Gillette states:

> I think there is no question about that. I thank the Senator from Illinois. It is very evident that these producers, astute businessmen as they are, are not throwing money down a rathole. They know exactly what they are doing.
>
> Referring again to the threats I mentioned a few moments ago—in plain English—what is meant is that they will go out on strike. They will go out on strike not because they cannot make money on their sales of natural gas in interstate commerce. They are making a great deal of money, as the Senator from Illinois has pointed out. They will go on strike because they cannot make all the money the traffic will bear. They will go on strike, let the gas stay in the wells, or go sailing off into the clouds, make not a nickel on the gas sales, but prevent consumers from obtaining a cubic foot of it to heat homes and cook meals, and they will continue making plenty of money on their oil production, letting the gas consumption go by.
>
> What they are telling the American public, in effect, is that if they are not privileged to sell a product on which they have an almost total monopoly at the price they demand—the American public will simply have to bear with it the best it can.
>
> This is a boycott which, I am sure, the American people will not endure. Indeed, any concerted effort by a group of producers to withhold their product from interstate commerce would be an illegal boycott subject to prosecution under the anti-trust laws.
>
> Somehow, I cannot believe that the threat is anything more than implied. I cannot seriously believe that any such threat would be carried out.

And again:

> Surely those who imply such a threat, who even hint at it, know that what they are asking for, in return, is legislation of a character so drastic as to make them yearn for the good old days when they had nothing to worry about but federal power commission regulation of rates on the sale—just the sale of gas into interstate commerce—not the whole production and gathering of the product. I wonder if possibly they are requesting the congress to retaliate by removing the bounty placed on oil and gas production through repeal of the annual 27½-cent depletion allowance on petroleum?

He ends up with a comment which covers the whole argument, as follows:

> Monopoly as generally understood means control of a product both as to quantity allowed to reach the market and price. If you control the quantity you automatically control the price. Hence, the petroleum industry can be set down as definitely a monopoly.

And again:

> There is no need to cite chapter and verse on the character of this industry. It is enough to note that it is increasingly dominated by a few giant corporations which own and control one of the most vital natural resources modern man has ever discovered.

I merely quote that to show the value that was placed by the United States congress on a commodity which we are handing over so lightly to anyone who cares to purchase it. Not very long ago a royal commission was appointed to investigate the Alberta oil industry and I should like to quote a very apt reference that was made in that report:

> The importance to a nation of available reserves of oil is emphasized by the following quotations. Mr. Coolidge, a former president of the United States, said:
>
> "It is even probable that the supremacy of nations may be determined by the possession of available petroleum and its products."
>
> A memorandum to the French government after the last great war, of its wartime oil commissioner, Mr. Berenger, is said to have contained the following passage:
>
> "He who owns the oil will own the world, for he will rule the sea by means of the heavy oils, the air by means of the ultra refined oils, and the land

by means of petrol and the illuminating oils. And in addition to these he will rule his fellow men in an economic sense, by reason of the fantastic wealth he will derive from oil—the wonderful substance which is more sought after and more precious today than gold itself."

I quote that merely to show the value of the commodity with which we are dealing today. I plead, as has the hon. member for Calgary West (Mr. Smith), that there be a reconsideration of the decision regarding this bill. Before this bill reaches the committee I should like to see the company change its attitude. I trust that public opinion will force them to do what we are asking them to do. Before concluding I want to say that I know nothing about the personnel of this company. I do not know anything about the financial arrangements of the individuals concerned or anything else. I am fighting solely for my own province. I have faith in my province, and the legislature of that province has unanimously supported the stand we take. The Canadian Legion, boards of trade, individuals and communities throughout the whole of British Columbia have pleaded and begged their members, irrespective of politics, to support the attitude taken by this group in favour of an all-Canadian route. I am afraid if we do not fight for our province they will take the bait that is dangled before them by some of the United States members of congress. I have a copy of the *Congressional Record* for March 9, 1950, and I should like to quote a portion of a letter read into the record by the Hon. Hugh Butler of Nebraska. In it are these words:

My idea in writing to you is this. We Americans care nothing for the political angles, but what is best for all of us for our betterment as a whole and national safety problems. I have read many times of Canadians wanting to join us, provinces or certain districts. Why not start negotiations to see if British Columbia would vote to join us and make Columbia our forty-ninth state. Then Alaska would become the fiftieth state. This is the best method to keep our borders contiguous and realistic in adding new states. Otherwise, to make far-away places or islands, states, is laughable. This would make it possible to better build up our coast defences of the west in radar and landing fields. Hope this sounds sensible . . .

I merely read that into the record to show that there is a feeling on the Pacific coast that we are neglected by the parliament at Ottawa. Our needs are not properly considered, and I feel on the question of these pipe line measures our needs are definitely not being properly considered because not one member of the cabinet has given any intimation that he would support our point of view and assist us in getting the line constructed through British Columbia. In conclusion, I want to plead again with this company to reconsider their application, and before it is too late to insert in it a promise to go through the province of British Columbia.

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, in the rather long debate that has taken place on these two measures I have only taken a small part of the time. I am not claiming that there is any virtue in that. Perhaps it is the other way around because I am convinced that the debate that has taken place on these bills has served a useful purpose. I have just returned from the province of British Columbia where I spent the Easter recess, and I know that the people of that province are concerned about the route that the proposed pipe line will take. If other members from British Columbia receive the resolutions and letters from important public bodies and individuals that I receive, they must be aware of how the people of British Columbia feel. I am not under any illusion that anything I will say is going to affect the course of government policy in this matter, because in my opinion, the bill is a private bill only in name. As for the attitude towards them on the government side of the house, they are certainly government measures. The government will see to it that they pass.

There is, unfortunately I think, a feeling in this country that our resources are unlimited. Almost every day public speakers at various functions refer to "Canada's unlimited natural resources". Canada's natural resources are far from being unlimited, and the same is true of the natural resources of the American continent as a whole. In the country to the south of us they are getting rather scarce because the people of the United States have been more assiduous in developing and exploiting them than we have. For that reason alone we should be very careful how our natural resources are going to be developed, and who is going to benefit by their development.

I am convinced that if this natural gas pipe line goes first through United States territory, serving the lower mainland of British Columbia last, the United States will benefit more than Canada from a Canadian natural resource. That is my main reason for drawing the matter to the attention of the house again, in order to see if it will not even now exercise not only its prerogative but its duty to protect the interests of the Canadian people. Among the large number of resolutions I have received there are two that have come to hand within the last three weeks which I wish to put on the record. I do so for two reasons. The institutions which have passed the resolutions are important ones in the life of the province

of British Columbia, and I have been a member of both of them for a long number of years. The first resolution I wish to read to the house is one passed by the city council of the city of Vancouver which I received in a letter under date of March 29, 1950. The letter including the resolution is signed by the city clerk and reads:

I wish to notify you of the following resolution passed by the Vancouver city council on March 27, 1950:

"That the city council advise the federal government of its opinion that the routing of a gas pipe line through British Columbia is imperative for the industrial development of the regional area through Vancouver. Further, that the Vancouver members of parliament be forwarded a copy of this resolution and their support solicited."

There are no C.C.F. members on the Vancouver city council. They are Liberals and Conservatives, supporters of the government and supporters—

Mr. Laing: Non-partisans.

Mr. MacInnis: Oh, yes, non-partisans. I know how non-partisan they are, and if you want to go into that I will gladly do it. They are non-partisan in the morning when they are addressing the city council; they are Liberal or Progressive Conservative in the afternoon when they are addressing meetings of those parties and they are coalitionists in the evening when they are addressing a coalition meeting. If you want any more I can give it to you. I know what "non-partisan" means, and it is pure bunk. They are members supporting the opposition and the government; but in respect to this resolution they are unanimous. They ask this government to see that the pipe line goes through British Columbia and serves that province first. It seems to me that this long debate has served a useful purpose. I have in my hand a clipping from the Vancouver *Province* of April 12, which would be last Wednesday, containing a short comment on a letter received by the city council, I assume in response to a copy of this resolution, which reads:

Vancouver gas needs come first

City council was assured Tuesday by Reconstruction Minister Howe that Vancouver natural gas requirements will be met before gas is exported to to the United States.

If that does not mean that the Minister of Trade and Commerce (Mr. Howe) has decided that the pipe line will go through British Columbia first, it is merely double talk.

Mr. Green: That is what it is.

Mr. MacInnis: Certainly the people of British Columbia have been given the impression that their needs will be met first, and that can only be done if the pipe line goes through British Columbia first. If that is not done a letter like this is simply an attempt to deceive the people of that province.

The next resolution I have is from the Vancouver, New Westminster and district trades and labour council, a body of responsible trade unionists interested in British Columbia affairs. They are interested in having this pipe line constructed in British Columbia because they are concerned among other things with the employment situation. As hon. members know, last winter there was a great deal of unemployment in British Columbia, and although the situation is not as bad today many are still out of work. So it is understandable that the delegates to this trades and labour council, I imagine representing more than half the labour force in British Columbia, would be interested in the route to be followed by the proposed pipe line. Their resolution was as follows:

Whereas an all-Canadian route for the proposed natural gas pipe line from Alberta to British Columbit will help control the gas in Canada until most Canadians have first been served; and,

Whereas employment will result in Canada both from construction and future maintenance than any other proposed route.

Therefore be it resolved that this Vancouver, New Westminster and district trades and labour council strongly urge the dominion government to authorize the proposed all-Canadian route.

And be it further resolved that copies of this resolution be sent to Prime Minister St. Laurent, members of the dominion cabinet, and to B.C. members of parliament.

I considered it important, Mr. Speaker, that some British Columbia member should put on record the views of the Vancouver city council and of one of the central labour bodies in this matter, in order that hon. members might learn of them before the final vote on the bill now before us.

Statements have been made from time to time by hon. members supporting these bills that it would be desirable to have the pipe lines go through the United States because if that were done the construction cost would be less. Surely that is a weak argument in a matter of this kind. If we wanted to deal with all our natural resources in that way I imagine cheaper routes and easier disposition of our resources could be found in the United States; but if that were done the greatest advantage from those natural resources would go to the United States. I noticed that the hon. member for Vancouver-Burrard (Mr. MacDougall) took that position when he addressed a meeting in Vancouver during the Easter holidays. The report of that meeting, which is rather brief, states:

Dr. MacDougall said: "If the line goes through the U.S., Vancouver will get the gas cheaper, because the Americans will help pay for the cost of the line."

There we are told that if Vancouver is to get the gas more cheaply, the United States must get the greater part of the gas, and that therefore the pipe line must go first through the United States. I should like to know who is right, or who is giving the most nearly correct information. The Minister of Trade and Commerce said Vancouver would be served first; the hon. member for Vancouver-Burrard said Vancouver would be served best if it were served last. This would be really funny if it were not so tragic. It is regrettable that some of our people are so anxious to give away our natural resources. I think this is the time—it may be too late when we are in committee—for British Columbia members to show some regard for the opinion of the people of British Columbia and see to it that when this pipe line is built it will serve the residents of Canada first.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, thanks to the wonderful development of aviation I was able to leave Vancouver yesterday morning and arrive in Ottawa last evening. After spending a week in my home city I became convinced that I could do no less for the people of Vancouver-Quadra, regardless of their party affiliations, and in fact for the people of British Columbia as a whole, than give a brief summing up of this pipe line argument before these two bills are sent to committee.

Before going on to do that may I express the hope that at least some of the Liberal members from British Columbia will rise during this debate and tell us what they think of this question. Not one Liberal member has spoken on this particular bill, so they all have the opportunity of stating their stand. In view of the extent to which the interests of British Columbia are involved in this matter, I challenge those members to state their position on this pipe line bill.

The bill we are now discussing is described as an act to incorporate Prairie Transmission Lines Limited. I believe that this particular bill is an orphan. At the moment the sponsor of the bill is not in the chamber. It has even lost its father. He is not sufficiently interested to listen to the debate on his bill. It has been interesting to see how this particular bill to incorporate Prairie Transmission Lines Limited has been sidetracked by the government. It always seems to happen that the Alberta Natural Gas Company bill is given priority. Even two weeks ago today when the bill to incorporate Prairie Transmission Lines Limited came up for debate, after the first speech the sponsor of the other bill, who is also a parliamentary assistant,

moved that the debate on this Prairie Transmission Lines bill be adjourned. As you know, Mr. Speaker, a vote was called and the sponsor of the Prairie Transmission Lines bill, the member for Kenora-Rainy River (Mr. Benidickson), did not even vote against the adjournment of his own bill. I repeat, therefore, that this poor bill is an orphan.

This raises an important point. It is obvious that the full weight of the Minister of Trade and Commerce (Mr. Howe), and the Canadian government as well as the Liberal party, with the exception of the member for Fraser Valley (Mr. Cruickshank), is behind the application of the Alberta Natural Gas Company for incorporation. I suggest that it would be interesting to go a little further into this picture. I think it will be found that a certain financial house in New York, which is behind the applicants for Alberta Natural Gas Company, is the spider in this huge web. That is the spider which is going to devour the people of British Columbia. What is happening here is that United States interests are being aided and abetted by the Canadian government to put this pipe line through the United States on its route to the Pacific coast.

Some of the Liberal members from British Columbia are putting up an alibi by talking monopoly. They would be far wiser to check upon this huge government monopoly, this monopoly composed of the Canadian government and this financial house in New York. There is the real monopoly to be fought. What do we hear? We hear these British Columbia members shouting—

Mr. Mayhew: Would the hon. member mind giving us some proof of what he is saying? Is he just bringing charges out of thin air, or has he some proof?

Mr. Green: I am saying that behind this proposal there is a New York financial house, and the minister knows which one it is just as well as I do.

Mr. Mayhew: I do not.

Mr. Green: That evidence was given before the Senate committee last fall, I believe. There is no need for the minister to be coy about the matter, or to suggest nobody knows about it. It is common knowledge. There is the real monopoly that threatens the people of British Columbia. Yet we have these Liberal members setting up a straw man, by saying that those of us who are opposing the proposal that the route of the pipe line should be through the United States are really fighting for a monopoly.

The Minister of Fisheries (Mr. Mayhew) took that stand in British Columbia just ten days

ago. I have here a dispatch from the Vancouver *Sun*, dated April 6, 1950. The heading is "Two Pipe Lines all Canada can stand." The minister, when he was interviewed on this question, got out of it—

Mr. Homuth: I rise on a point of order, Mr. Speaker. This house is now adjourned because there is not a quorum.

Mr. McLure: No, there is not a quorum.

Mr. Fournier (Hull): Yes, there are twenty-one members. There is a quorum.

The Acting Speaker (Mr. Beaudoin): I have not counted the members yet—

Mr. McLure: Order; there is one member coming in now.

The Acting Speaker (Mr. Beaudoin): I have now counted the members, and I have discovered that the members who are in their seats now number—

Mr Homuth: I must protest your ruling because there were only eighteen members here when I rose.

The Acting Speaker (Mr. Beaudoin): I understand the feeling of the hon. member; and, although I cannot find the reference in Beauchesne at the moment, I should like to say that when a member rises and directs the attention of the Speaker to the fact there is not a quorum at the moment he rises, what takes place is a count of the members. If by the time the Speaker counts the members there are twenty present, the house is not adjourned.

Mr. Homuth: It depends on how slowly the Speaker counts.

The Acting Speaker (Mr. Beaudoin): The member for Vancouver-Quadra (Mr. Green) has the floor.

Mr. Green: I was discussing the interview given by the Minister of Fisheries when he was in Vancouver a few days ago. He has now reached the conclusion that there should be two pipe lines, one to go through Canada and one to go through the United States. This is the first time that anyone has—

Mr. Mayhew: I do not mind the hon. gentleman making a speech, but I do object to his quoting from a paper what I am alleged to have said. In this case it is entirely wrong; I said nothing of the kind. I know of no difference in the pipe line bills presented to this house. So far as I am concerned, they can all go through the house, and the best deal that we can get out of all the applications should be the one we choose.

Mr. Green: They have not all been the same, because the one company that secured incorporation gave a pledge it would build the line through Canada.

Mr. Mayhew: I should like to ask the hon. gentleman a question. If I were your client, would you tell me that the pledge the company gave would bind the company and its successors in future years as to where the pipe line would be built? Would you say that the company is compelled to build that pipe line in Canada?

Mr. Green: It is not a question of future years. The company gave a pledge that this pipe line would be built through Canada. In my opinion that pledge is binding. If the company does not fulfil the pledge, then it will certainly be worthy of the utmost censure, and I will be one of those who will censure it; of course it is unfortunate that the government, in providing for these pipe line charters, did not insist on having the routes stated in the bills. But the point I am making is this. That company would never have got a charter if they had not given a pledge that they were going to build through Canada.

Mr. Mayhew: If the sponsor of this bill will get up and say that he has the assurance from them that they are going to build this pipe line in Canada now, I will certainly support your recommendations here.

Mr. Green: If the sponsor of this bill stood up in the house and pledged that this company would build their line through Canada first, I would have no further objection to the bill; although I think it would be much wiser for parliament to insist that this provision should be written into each of the charters and also that the Pipe Lines Act itself should be amended.

Mr. Mayhew: If they were serious in their pledge, they would agree to that now.

Mr. Green: I did not hear what the minister said.

Mr. Mayhew: I said that in my opinion if they were sincere in their pledge that they were going to build the pipe line through Canada they would be the ones who would be asking to have their bill changed.

Mr. Green: The hon. member for Fraser Valley (Mr. Cruickshank) said two or three weeks ago that the Westcoast Transmission Company would be perfectly ready to have their charter amended to that effect.

I must, however, get back to this question of the shadow monopoly which is being talked about especially by the British Columbia Liberal members. I do not blame them because this is the only excuse they have for their

stand on these bills. They have had a hard time to think up arguments. The Minister of Fisheries (Mr. Mayhew) is quoted as having said:

> Some members are opposed to a monopoly, but they also demand that only one company get a franchise.

Nobody in this house has demanded that only one company get a franchise. That statement by the Minister of Fisheries, if he is correctly reported, is entirely misleading. What everyone who has opposed the pipe line bills has said is that any group of applicants for a charter who will come in and say they will build their line through British Columbia will get their bill through without any difficulty. But the applicants for these two bills, the Alberta Natural Gas Company and the Prairie Transmission Lines Limited, have so far been extremely careful not to give any such undertaking.

Then about a week ago we had the hon. member for Vancouver South (Mr. Laing) quoted as making a similar statement. Radio reports were to the effect that he had said that those who were opposing these bills were only fighting for a monopoly. If he said that, he knew it was utter tommyrot because such has not been the case. Then we had the hon. member for Burnaby-Richmond (Mr. Goode) quoted as making a certain statement; and incidentally it would be interesting to know to what spot he has disappeared this afternoon. He was in the house earlier in the proceedings, but when the vote on the last bill was called he was not to be found. It will be interesting to see whether he is here for the vote on this particular bill. He is quoted in the press of April 11 as follows:

> Mr. Goode said he and all other B.C. Liberal M.P.'s—with the exception of George Cruickshank—

Who of course has been a great problem child for the other British Columbia Liberal members.

> —were opposed to any bill which would grant a monopoly to any natural gas company in western Canada for a pipe line.

And there were similar statements by the hon. member for Vancouver-Burrard (Mr. MacDougall). He is quoted as saying:

> We are faced with a complete positive monopoly of the Pipe Lines Act by a private company unless the charter is granted to the other companies. That one company was granted the charter and the other refused is not democratic.

All these Liberal members know that the reason, and the sole reason, one company obtained a charter was that they pledged themselves to build through Canada. I therefore repeat that this talk of monopoly by these government supporters from the province of British Columbia is merely a little bit of shadow-boxing, the setting up of a straw man in order to knock him down.

I was glad to hear some reference today to the statement made by the Minister of Trade and Commerce (Mr. Howe). Two or three weeks ago he was asked a prepared question in the house, and in reply he said that he would not agree to gas being sent to the United States through a pipe line before the pipe line reaches Vancouver. That statement, read according to the ordinary use of the English language, simply means that until the pipe line had been laid right into Vancouver he would not allow any gas to be turned on in the United States. But he has been careful all the way through the piece never to make the statement that he would not grant a permit to a company unless that company laid an all-Canadian route. All he needs to do to stop these debates is to get up in the house and give his pledge that, as the responsible minister, he will see that no permit is granted unless the route is to go through Canada.

Then to come down to the plan of the Prairie Transmission Lines Limited, I have here their petition to this house; and it sets out clearly where they intend to build this pipe line. This is their object:

> To construct, maintain, own, operate and use a pipe line or pipe lines to transport natural and artificial gas and oil in the provinces of Alberta and British Columbia commencing at a point in the general Calgary area in the province of Alberta and thence to a point in the vicinity of Blairmore in the said province and thence to a point in the vicinity of Kingsgate in the province of British Columbia and thence to the United States of America leaving Canada at a point at or near Kingsgate in the said province of British Columbia—

Which is in the far eastern part of the province.

> —re-entering Canada in the vicinity of Blaine—

Which is on the coast.

> —in the state of Washington and proceeding north to the Vancouver area in the province of British Columbia,—

Since last year they have added these words:

> —or to the said destinations by such other route or routes as may be authorized by the board of transport commissioners.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Green: Mr. Speaker, when the house rose for the dinner recess I had just completed reading the first objective of these

applicants for incorporation of Prairie Transmission Lines Limited. It sets out the route along which they propose to build a pipe line.

I have here, in addition, a copy of the map filed last fall by these same people in the Senate. I only wish there were some way this map could be reprinted in *Hansard*, because I believe if hon. members could have a good look at it they would be satisfied that we are on the right side of this case.

In effect, this is a map of the state of Washington. The Canadian boundary appears across the map within a couple of inches of the top. The proposed pipeline starts at Macleod in southern Alberta, goes through the Crowsnest pass following the Canadian Pacific railway line, passes Fernie and Cranbrook, then crosses the American boundary, still in the eastern part of British Columbia. It goes almost due south for well over a hundred miles until it reaches the city of Spokane, which is quite a large city in the state of Washington. Then there is a branch line to the north which crosses the Canadian boundary in order to reach the smelting city of Trail. It goes only about twenty miles over into British Columbia.

Mr. Laing: Why show it to Newfoundland?

Mr. Green: You had better get up and tell your own story about this gas bill. The main line continues past Spokane, toward the coast. About half way from Spokane to the coast there is another branch line, this time to the south. It goes down to the point where it serves the United States atomic energy plant at Hanford with a branch off to Yakima. Then goes farther south branching off to Walla Walla, and then right down across the boundary of the state of Washington into the state of Oregon. The main line continues out to the coast, which it reaches between Everett and Seattle. Then it turns south and goes to Tacoma, south through Washington, and down to Portland in the state of Oregon. All that British Columbia gets at the coast is a stub line to the north which crosses the boundary into Vancouver. In other words we have the pipe line in Canada for a short distance through the mountains in East Kootenay, and then two small stub lines which come over the boundary at Trail and at Vancouver.

This means, of course, that, so far as development is concerned, this company plan to develop the states of Washington and Oregon. As a matter of fact I do not think they are concerned what places they develop. All they want to do is to get that pipe line into the largest market by the shortest possible route, regardless of the interests of the Canadian people. That is the position taken by these applicants for incorporation, under the name of Prairie Transmission Lines Limited; and I believe the route suggested by the Alberta Natural Gas Company would be practically the same as the one I have just described. I should be very glad if any hon. members wishing to do so would take a look at this map.

This plan means the developing of Washington and Oregon rather than British Columbia. It means also that Canada is at the end of two stub lines. There has been some talk of being able to serve Canada before the Americans are served. However, I was impressed by the evidence given by Mr. Abner Faison Dixon, who is the key man behind the other application. Giving evidence before a Senate committee last year he said, in effect, that it would be impossible for a line to run through American territory and not serve American points until Canadian points are served. If the line is to go all that way through the United States, American points will be served, make no mistake about it, and Canada is going to get what is left.

This plan means something more. The suggestion has been made that this need not be settled by parliament but left to the board of transport commissioners, about whom we have heard so much. Well, the Board of Transport Commissioners for Canada have no authority whatever over that line, once it crosses the United States boundary. The only control they are going to have over this pipe line to the Pacific, if the plan of those asking for incorporation of Prairie Transmission Lines Limited is followed, will be control over two small stub lines coming up from the United States. Furthermore the consent of the federal power commission of the United States is required for the pipe line to enter that country and also for it to be laid throughout the United States. That federal power commission will be the body which will really say what is to happen and what is to be done with this pipe line.

As I pointed out before, there is no agreement between Canada and the United States that this gas will come back to British Columbia in the amounts required. I am sure the Secretary of State for External Affairs (Mr. Pearson) will not contradict that statement; he will agree that Canada has no treaty whatever with the United States concerning either oil or natural gas going from Canada across the American boundary. On that point there was some interesting evidence given last fall in the Senate committee by Mr. Dixon. He said he would think an agreement would be insisted upon by the Canadian authorities

stating that gas would unquestionably go to British Columbia in the amounts required. But there is no such agreement and last fall there had not been even any negotiations undertaken. All these difficulties would be avoided by having a Canadian main line to Vancouver. That is all the opponents of these bills are asking.

The plan set out in the map I have described has another serious feature from the point of view of western Canada. It ignores the existence of natural gas and oil in the Peace river country. This is of tremendous importance to British Columbia because these are the only oil-bearing areas in the province and they constitute the most promising part of the province from the point of view of the development of oil and natural gas resources. The route through the United States is not designed to serve the Peace river district and Mr. Dixon admitted that in his evidence last year.

The result of putting the line through the United States will be that there will be no outlet to the Pacific coast from the Peace river areas of Alberta and British Columbia and their oil and gas will be dammed back behind the oil and gas produced in the Edmonton area. That is the position those areas are in today with regard to wheat. It is a tragedy that there is no rail outlet from the Peace river to the Pacific coast. We have never been able to bring about the construction of that line and the people of the Peace river have to ship their wheat down to Edmonton rather than over a shorter route to tidewater at Prince Rupert, Vancouver or New Westminster. If this line just crosses the corner of southern British Columbia to enter the United States, Peace river oil and gas will be in the same position as their wheat. Furthermore these people have been wanting a highway. If the pipe line went through the Yellowhead pass it would tap the Peace river and provide an outlet to the south and these people would have a highway as well as a pipe line.

I was amazed to note the attitude of the hon. member for Cariboo (Mr. Murray) in this debate. For the last few weeks every time this question has come up he has been heckling and jumping up and talking about some Tory monopoly. Incidentally he never would have been elected if it had not been for Tory votes because we did not put up a candidate against him. Yet his riding stands to gain more from having a pipe line through the Yellowhead than any other riding in British Columbia.

The same is largely true of the hon. member for Skeena (Mr. Applewhaite) who spoke a couple of weeks ago. He referred to an old speech of mine which I thought was pretty good. He quoted parts of it that supported his argument and left out other parts that were against him. One thing that Prince Rupert wants is an outlet from the Peace river to Prince Rupert, and here is its chance to get both a pipe line and a highway, and I would think eventually a railroad. Yet we have the hon. member battling for a route through the United States.

As hon. members know, a resolution was passed unanimously by the British Columbia legislature favouring the Yellowhead pass route. I would point out to the hon. member for Skeena, and to the hon. member for Cariboo also, if he were here, that the lead in getting that resolution through the legislature was taken by members representing those two northern federal ridings in the provincial house. Every provincial member from those two federal ridings took part in that debate. For example, the motion was moved by Mr. Braden, a Liberal coalitionist member for Peace River. I quote a newspaper report as follows:

> Mr. Braden described the great possibility that in addition to the gas supplies from Alberta oil will soon be found in the Peace river country.
>
> He saw the gas line as the forerunner of a channel to get this oil out of the Peace river to the coast.

Then another Liberal member, for Omineca, is referred to in the report as follows:

> Seeing an expenditure of at least $72 million in British Columbia out of the pipe lines cost, R. C. Steele, Cln., Omineca, declared there would be branch lines to the Okanagan, to Trail and another branch to the northern Peace river section.
>
> "This is our only chance to have this money spent in Canada, and our own resources tapped," he said.

Another Liberal coalitionist, the member for Cariboo, is reported as follows:

> Said Angus McLean, Cariboo, Alberta should not allow export of gas until all Canadian needs are satisfied. It is important to our national economy and security to have the line through a Canadian route.

Then here is what the provincial member for Prince Rupert, Mr. J. D. McRae, another Liberal, is reported as saying:

> This will mean as much development to industry and the interior as the coming of the railway.

The report goes on:

> Agriculture Minister Harry Bowman, from Prince George, and Lands Minister E. T. Kennedy from Skeena joined in their support.
>
> "It is impossible for anyone in British Columbia to be opposed to the Canadian route," they declared.

All they need to do is to come and sit in the gallery here and they will see their own federal members doing everything possible to put a pipe line through the United States.

The attitude of British Columbia on this question is more nearly unanimous than I

have ever seen in connection with anything else. You have the unanimous resolution of the legislature; also the Vancouver city council and the Vancouver and New Westminster district trades and labour council resolutions, referred to by the hon. member for Vancouver East (Mr. MacInnis) this afternoon. Even the Vancouver Centre Liberal association have gone on record as wondering what on earth has happened to their member and why he was not fighting for a Canadian route. I have not the time to read this dispatch, but it is most enlightening.

I suggest that there should be an amendment to the Pipe Lines Act to the effect that any charter must define the route or routes. That is done in an application for a railway charter and these pipe lines affect the Canadian people just as seriously as a railroad. The route should be set out in the charter so that we could decide whether or not we think a pipe line should go in that particular direction.

I suggest that this present charter should provide for a Canadian main pipe line to Vancouver, and incidentally the charter of the Westcoast Transmission Company should be amended to have that same provision.

Mr. Benidickson: Why does not the hon. member introduce a bill?

Mr. Green: A bill was introduced two weeks ago. I suggest to the sponsor of the Prairie Transmission Lines Limited bill, who has now come back to the chamber although he did not bother to be here late this afternoon, that he get up and pledge on behalf of the people for whom he is speaking that they will abandon their plan to put the main line through the United States and will follow an all-Canadian route; also that they will accept the amendments to their charter necessary to provide that that will be the only power given. If he does so I am confident that all opposition to his bill will cease.

If he will not do it, and if the sponsors of the Alberta Natural Gas Company will not do the same thing, then I warn members of the house that they face a fight to the finish. We have taken our stand on this question and we do not propose to step aside and see Canadians living on the Pacific slope of Canada sold down the river just to please some big interest friends of the Canadian government.

Mr. G. A. Cruickshank (Fraser Valley): Mr. Speaker, I have not spoken on this bill before, and I am sure my friends will be glad to hear me, having just come from British Columbia today. It was raining when I left there, and we need a little oil, but strangely the people of the province of British Columbia—

An hon. Member: Louder.

Mr. Cruickshank: It will be louder before I have finished. I did not think the time would ever come when the hon. member for Vancouver-Quadra (Mr. Green) and I would be seeing eye to eye.

Mr. Howe: It is a logical tie-up.

Mr. Green: It is a good tie-up; it is a better tie-up than you have got.

Mr. Cruickshank: On this particular issue the hon. member for Vancouver-Quadra is far more popular with the people of British Columbia than the hon. member for Coast Capilano (Mr. Sinclair). While I was home I had the privilege of being entertained at a few meetings in my riding. I did not have to call the meetings; they were called on my behalf.

Mr. Laing: They called for you.

Mr. Cruickshank: The hon. member for Vancouver South (Mr. Laing) had better go home and mend a few fences in his riding or I will quote some of the wires I have on my desk that come right from his riding. On this particular issue the people of the province of British Columbia may be a little bit selfish. I am willing to admit that, but they are not as selfish as the people of Ontario or Quebec. We may be a little selfish. We are trying to build up industry within our own province. We are trying to get some of the things to which we think we are entitled. I give every credit to the sincerity of those members from the province of British Columbia who have read speeches written in Wall street. I want them to give me credit for sincerity in what I say, and I am not reading any speech prepared for me by anybody in Wall street.

An hon. Member: That is apparent.

Mr. Cruickshank: I prepare my own. I can understand that my colleague would not appreciate that fact, never having made one that he wrote himself. I want to say what I think about this matter. I will be glad to let any of my colleagues take the floor for twenty minutes if they would like to, but in the meantime I am making a speech, and I am making it on behalf of the people of my riding. I have just come from there, having arrived by aeroplane today. When I got out of a taxi at the entrance to the building the division bell was ringing and there was a vote. I was pleased to be able to arrive just at the moment when a vote was being taken on that particular measure sponsored, I understand,

by the hon. member for Spadina (Mr. Croll), a little part of Toronto. What do they care about British Columbia?

Mr. Sinclair: Seconded by him.

Mr. Cruickshank: It is the same thing. It is a little district up there. I want to assure you that they have the nicest C.P.R. station in the Dominion of Canada at Kenora in the Rainy river district, which is very well described by its name. They have a lovely station there.

Mr. Benidickson: It was raining in Vancouver.

Mr. Cruickshank: I find the hon. member for Spadina, with all the great interest he has in the province of British Columbia, seconding this motion. Then I noticed the hon. member for Port Arthur (Mr. Howe) taking a keen interest in it, and I knew perfectly well how anxious they were to hear me speak on this particular bill. I have just come back from the province of British Columbia where there are not eighteen people in the entire province who favour the United States route. There are not eighteen people in the entire province. Probably I am in a more fortunate position than other members from the province of British Columbia because I happen to represent the best riding within the province. Each and every one of the associations in my district has passed a resolution endorsing an all-Canadian route. It has been said before and was said again tonight and I will say now that, in so far as I am concerned, I will withdraw all opposition if the sponsors will come forward and say, as one company did, that they will follow an all-Canadian route. I do not care which company builds the line but I care a great deal whether Canada is served and my province is built up.

What may surprise some hon. members who are not familiar with their own provinces is that the cheapest form of power in the world is natural gas. We have heard all about the building of new dams at Niagara for the creation of more hydroelectric power, but the cheapest form of power in the world is natural gas. The people of British Columbia want to secure some of that power. We want to do something about decentralizing industry. We are not so keen about building up Hamilton, Port Arthur and other places in Ontario as we are about building up our own province. We admire Quebec. You know, Mr. Speaker, Quebec is probably the most historic province in the dominion.

An hon. Member: Except Newfoundland.

Mr. Cruickshank: It is one of the most delightful to visit. The maritimes are not too bad, but probably Quebec is the most historic.

At the same time we would like to do a little building within our own province on the Pacific coast. We have every resource in the world with the exception of oil and gas. We sincerely believe that there are oil and gas in northern British Columbia and the Peace river district. I am sorry that my good friend and colleague from that district is not here at the present moment. As has been mentioned before, I cannot understand why he prefers to see our resources developed for the benefit of the United States rather than Canada. If we develop oil and gas in our great northern country, as we think we can, we will have the richest province in the world. For that reason I can well understand there is a certain amount of jealousy in some of the provinces of central Canada. I can well understand why they would like to concentrate industry as they have in the past and prevent development on the Pacific coast, but I cannot understand some of my colleagues from our most beautiful province. I should like to say just a word or two about our province, where we have the finest climate in the world. If you were to come up to my office tonight, Mr. Speaker, I would be delighted to show you some beautiful flowers that were picked in my garden yesterday morning. When you have a province with a climate like that, a province with youthful—

An hon. Member: Members.

Mr. Cruickshank: Yes, they have some good members out there, too, though I am a little disappointed in one or two of them, in the amount of time they have taken while saying nothing. As I may have mentioned once or twice in this house before, I do not come from Vancouver island or Victoria; I come from the great Fraser valley, where we have everything except this natural gas. I should like to quote a little item that I saw while I was home. I am sorry I cannot say whether it is from the *Sun* or the *Province*, but they they are both good newspapers. As a matter of fact the circulation of those newspapers is among the greatest in Canada. Of course we have an advantage in that respect, because out in Coast-Capilano we have the largest pulp mill in the British empire. That riding is fairly well represented here, though not as well as during the period when I looked after it myself. This clipping contains a dispatch from Burnaby, which incidentally is one of the largest municipalities in British Columbia. At one time they had an excellent administration, particularly in their school board. It is not so good now, but they are doing their best to get by. This dispatch is headed, "Gas for B.C. before U.S., M.P.

promises." I am making no promises at all; I am just hoping for the best. The dispatch goes on:

Canadian consumers will get all the gas from Alberta they require before any is exported to the United States, Tom Goode, M.P. for Burnaby-Richmond, told fellow members of the Burnaby Lions club Thursday night.

I hope that sinks in a bit. That is not my say-so; those are the words of the hon. member for Burnaby-Richmond (Mr. Goode).

Mr. Green: Talking through his hat.

Mr. Cruickshank: The clipping goes on:

Mr. Goode said he is against a monopoly for distribution of the gas and criticized Howard Green, Vancouver-Quadra M.P. and George Cruickshank, Fraser Valley M.P., for their filibuster in the house against granting a second franchise for distribution of the gas.

The company now holding a franchise had no intention of constructing a pipe line in his opinion, said Mr. Goode.

He said Richmond municipality should not have to contribute towards the proposed Marpole bridge.

I am not interested in that just now, though I have seen many articles in the newspapers about it, and out there they say the federal government is going to spend four or five million dollars on the construction of that bridge. The hon. member promised that British Columbia would get gas before it went to the United States. Well, Mr. Speaker, the place to make such promises is right here in this chamber. There has been some talk about monopolies. We believe that in some things you must have a monopoly. I am going to make the statement definitely that, no matter what companies get franchises, only one company will build a pipe line within the next fifty years. Make no mistake about that. I do not expect to be in this chamber that long—

An hon. Member: Why not?

Mr. Cruickshank: Because I am going to move "over there". Only one company will build a pipe line, no matter how many franchises are granted. There is only one source from which the money can come. Most of it will be provided by United States investors. I understand there is another pipe line bill to be considered. I may not be in order in referring to that just now, but I will have something to say about it later on. I have no authority to say so, but I believe the company which some of my youthful friends permitted to get a charter last year would be agreeable to incorporating in that charter a provision that the route shall be all-Canadian. On the other hand I think it would be ridiculous to ask only one company to put that provision in its charter, without asking all the others to do the same thing. Put it in all the charters. Speaking for myself, and I believe for certain of my friends across the way, we would be prepared to immediately withdraw our opposition if provision were made for an all-Canadian route. Why should that not be done? I should like some of my western friends in particular to study what has happened in connection with our international waterways. The records are available. I know many hon. members are busy, working hard in behalf of their constituents, but let them take time to study what happened in that connection. Once this gas or oil leaves Canada, international complications enter into it and you can have no guarantee that any portion of the gas or oil will be returned to Canada. I am surprised that some hon. members do not take advantage of the fact that we have a library in this building where they can get some information on these matters. I am surprised that some of them have never heard about the million and a half dollars expenditure under the river at Detroit, between Detroit and Windsor. By means of this, we were to get gas on the Canadian side. After that money had been expended, the United States decided there was not enough gas to supply us, so we did not get any. Let some of these people realize that there has never been one member, so far as I know, who has spoken in this so-called filibuster—we do not agree with the term—who has said that we should not export gas to the United States. Of course, we want to export our surplus gas to the United States, but we want to serve Canada first. We think it is not too much to ask some of our eastern friends to go along with us on that. Let us develop our own province and our own dominion. Let us keep a reserve within the country.

Last year, I think it was, I was heavily lobbied, as I presume the rest of the members were, in connection with processing our salmon within our own province. I have mentioned this incident before, Mr. Speaker, but it is worth repeating. These lobbyists came to me, and said we should process the fish in our own province. I think they were right. At that time the fishermen could have obtained five cents a pound more by shipping the fish to Bellingham, not far from Vancouver. These interests said, "Let us process this fish in British Columbia." Some of these same people are now saying, "Let us build a pipe line to the United States; let us build up Idaho and Washington rather than our own province of British Columbia."

These same interests, Mr. Speaker, lobbied me, and rightly so, about our timber. Incidentally, the province of British Columbia produces 55 per cent of the lumber produced

in Canada. These lobbyists said that the logs should not be exported to Oregon and Washington, but should be manufactured within the province of British Columbia. I believed they were right, and I supported them. These same individuals now say that we should ship gas down to the states of Idaho and Washington. Incidentally, Mr. Speaker, the greatest hydroelectric development in the entire world is at Grand Coulee, right in the area to which these people want to send natural gas. The greatest development on the Pacific coast has been in the states of Oregon and Washington, the spot to which they want to send this gas in order that more development may take place.

Some of us believe, Mr. Speaker, that it would be better to keep this gas within our own country, and develop our own country. I do not like to take up the time of the house on this matter, but we feel that the sponsor of this bill should frankly state whether or not it is the intention of the company to build the line through Canada. The sponsor of one bill, on which I cannot speak, since I have already taken part in the debate on that matter, said he had not the faintest idea where the company was going to build its line. I do not think any of the members opposite hold any brief for the Westcoast Transmission Company, but that company has made a definite commitment, in the form of an application before the Alberta petroleum board, to build a Canadian route. Hon. members do not have to take my word for it; it is a matter of record. In its application, the company said it intended to build a Canadian route. Why some of these Toronto stock brokers or Wall street ambitionists could not make the same statement, I do not know. One company has made that statement in the form of a formal application before the board. So far as I am concerned, the provision covering a Canadian route could be inserted in the charters of all companies. I am speaking of the western outfit, and the people in eastern Canada can talk about Sarnia and Wisconsin. I am primarily concerned with my own province, and western Canada. If such a provision could be inserted in the charter of every company, I would be satisfied.

It is rather difficult to talk for forty minutes when you have not a prepared script written for you by Wall street. In the first place, I am interested in talking to you people because my riding is interested. I have just returned from that riding, which is the finest riding in British Columbia. I know how the people of British Columbia feel about this matter. There are not eighteen residents in the entire province of British Columbia who favour the route to the United States. I do not know just what the population of the province is, but I suppose it is approximately a million. My riding has about 50,000 in it, and 48,000 of them think Cruickshank is quite smart.

Mr. Sinclair: Oh, oh.

Mr. Cruickshank: I hear a sceptical laugh. When I was elected in 1940, I took the seat away from a Conservative who had held it for 25 years. He was a good friend of mine, and a fine man. I had a majority of 427 in that election; in the next election my majority was 1,500 and in the last election I had a majority of over 8,000. Laugh at that.

Mr. Sinclair: Over 8,000?

Mr. Cruickshank: Yes, and in this particular election the C.C.F., Liberal and Conservatives were united.

Mr. Sinclair: May I correct the hon. member? The parliamentary guide for this year shows the hon. member's majority was 7,014.

Mr. Cruickshank: Well, I do not mind being out four or five hundred.

Mr. Harkness: The Minister of Trade and Commerce (Mr. Howe) does not mind being a million out.

Mr. Cruickshank: I do not mind being out by six or seven hundred. You know, I have never been defeated yet, and I do not intend to be defeated. I found out what the press of British Columbia had to say, and let me tell you, Mr. Speaker, that nothing touches the people of Canada more closely than the press. The press of British Columbia are 100 per cent for a Canadian route. Each and every Liberal association in British Columbia has, so far as I know, voted for a Canadian route. The Conservatives can speak for themselves but, owing to the efforts of their members, I presume they are in exactly the same position. I know exactly where the C.C.F. stand in this matter. When the provincial government made up of the three parties—

Mr. Sinclair: You have some great bedfellows.

Mr. Cruickshank: I would rather be a bedfellow of those who are working for the people of British Columbia than be the odd guest of those who are working against the people of British Columbia.

I had not intended to take up so much of the time of the house, Mr. Speaker. I am not just sure how long I have been speaking. I certainly do not want to delay proceedings—

An hon. Member: Oh, no.

Mr. Cruickshank: —as I realize how anxious some of my colleagues are to say a few words

about the development of Canada for Canadians rather than the development of our good friends the United States, particularly the states of Idaho and Washington. I am sure that many of my colleagues would like to say a few words in this connection in the twenty or thirty minutes at their disposal. I am sure the minister of reconstruction would like to say a few words about building Canada. There are so many new titles around here now that I am not just sure to whom I am referring when I quote the title of any particular position; but the title of minister of reconstruction intrigues me and I believe that the minister of reconstruction—

An hon. Member: Which one?

Mr. Cruickshank: —coming from that other portion of Canada, and having had the privilege of speaking in Toronto and then in Mexico, would love to come out and tell the people of my province: "We are going to build Canada for Canadians; we are going to develop the natural resources of our own dominion for the benefit of our own people prior to assisting any other country, no matter how friendly they may be." I am sure he would like to say that. I am sure he would like to say it in Spanish, the language in which he no doubt spoke in Mexico. I am sure he would like to say that to them as fellow maritimers. We come from one extremity of Canada; he comes from the other extremity. Neither of us has had what we consider to be fair treatment. We think that our fellow members within this house would like to assist us in seeing that we are assured the rights to which we are entitled under our democratic form of government; and we think that our fellow Canadians would like to assist us in building a greater Canada by building a greater British Columbia.

Some hon. Members: Question.

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

Some hon. Members: Question.

Mr. Speaker: Mr. Benidickson moves, seconded by Mr. McIvor, that Bill No. 9, to incorporate Prairie Transmission Lines Limited, be now read a second time; and Mr. Macdonald (Edmonton East), seconded by Mr. Welbourn, moves, that this question be now put. The question is on the motion that the question be now put. Is it the pleasure of the house to adopt the motion?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: On division?

Mr. Green: No.

Mr. Speaker: Those in favour of the motion will say "yea".

Some hon. Members: Yea.

Mr. Speaker: Those opposed will say "nay".

Some hon. Members: Nay.

Mr. Speaker: In my opinion the "yeas" have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

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

YEAS

Messrs:

Abbott	Kickham
Anderson	Kirk (Antigonish-Guysborough)
Applewhaite	Kirk (Digby-Yarmouth)
Arsenault	Laing
Ashbourne	Langlois (Gaspe)
Bater	Larson
Beaudoin	Leduc
Benidickson	Lefrancois
Bennett	Lesage
Bertrand	Little
Beyerstein	Low
Blackmore	MacLean (Cape Breton North and Victoria)
Blanchette	McCann
Boisvert	McCubbin
Bonnier	McCusker
Boucher	McLean (Huron-Perth)
Bradette	Major
Bradley	Masse
Brown (Essex West)	Martin
Bruneau	Matthews
Cauchon	Mayhew
Cavers	Monette
Claxton	Murray (Oxford)
Cleaver	Pearson
Corry	Pinard
Cote (St. Johns-Iberville-Napierville)	Prudham
Cote (Matapedia-Matane)	Quelch
Cote (Verdun-La Salle)	Richard (Ottawa East)
Croll	Riley
Dewar	Roberge
Dickey	Robertson
Dion	Robinson
Dumas	Rooney
Eyre	St. Laurent
Fair	Shaw
Ferrie	Simmons
Follwell	Sinclair
Fournier (Hull)	Sinnott
Fulford	Smith (Queens-Shelburne)
Garson	Smith (York North)
Gauthier (Portneuf)	Stewart (Yorkton)
George	Stick
Gingues	Thomas
Goode	Ward
Harris (Grey-Bruce)	Warren
Henderson	Weaver
Hetland	Whitman
Hosking	Winkler
Howe	Winters
Huffman	Wood—103.
Isnor	
Jutras	
Kent	

Prairie Transmission Lines

NAYS

Messrs:

Aylesworth
Blair
Brooks
Casselman
Catherwood
Charlton
Coldwell
Coyle
Cruickshank
Drew
Fleming
Fraser
Fulton
Gillis
Graydon
Green
Harkness
Hodgson
Jones
Knight
Knowles
Lennard
MacInnis
Noseworthy
Tustin
White (Hastings-Peterborough)
White (Middlesex East)
—27.

Mr. Harris (Danforth): I was paired with the hon. member for Waterloo North (Mr. Breithaupt). Had I voted I would have voted against the motion.

Mr. Smith (Calgary West): I was paired with the hon. member for Edmonton East (Mr. Macdonald). Had I voted I would have voted against the motion.

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

YEAS

Messrs:

Abbott
Anderson
Applewhaite
Arsenault
Ashbourne
Bater
Beaudoin
Benidickson
Bennett
Bertrand
Beyerstein
Blackmore
Blanchette
Boisvert
Bonnier
Boucher
Bradette,
Bradley
Brown (Essex West)
Bruneau
Cauchon
Cavers
Claxton
Cleaver
Corry
Cote (St. Johns-Iberville-Napierville)
Cote (Matapedia-Matane)
Cote (Verdun-La Salle)
Croll
Cruickshank
Dewar
Dickey
Dion
Dumas
Eyre
Fair
Ferrie
Follwell
Fournier (Hull)
Fulford
Garson
Gauthier (Portneuf)
George
Gingues
Goode
Harris (Grey-Bruce)
Henderson
Hetland
Hosking
Howe
Huffman
Isnor
Jutras
Kent
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
Laing
Langlois (Berthier-Maskinonge)
Langlois (Gaspe)
Larson
Leduc
Lefrancois
Lesage
Little
Low
MacLean (Cape Breton North and Victoria)
McCann
McCubbin
McCusker
McLean (Huron-Perth)
Major
Masse
Martin
Matthews
Mayhew
Monette
Murray (Oxford)
Pearson
Pinard
Prudham
Quelch
Richard (Ottawa East)
Riley
Roberge
Robertson
Robinson
Rooney
St. Laurent
Shaw
Simmons
Sinclair
Sinnott
Smith (Queens-Shelburne)
Smith (York North)
Stewart (Yorkton)
Stick
Thomas
Ward
Warren
Weaver
Welbourn
Whitman
Winkler
Winters
Wood—106.

NAYS

Messrs:

Aylesworth
Blair
Brooks
Casselman
Catherwood
Charlton
Coldwell
Coyle
Drew
Fleming
Fraser
Fulton
Gillis
Graydon
Green
Harkness
Hodgson
Jones
Knight
Knowles
Lennard
MacInnis
Noseworthy
Tustin
White (Hastings-Peterborough)
White (Middlesex East)
—26.

Mr. Harris (Danforth): I was paired with the hon. member for Waterloo North (Mr. Breithaupt). Had I voted, I would have voted against the motion.

Mr. Smith (Calgary West): I was paired with the hon. member for Edmonton East (Mr. Macdonald). Had I voted, I would have voted against the motion.

Mr. Speaker: I refer this bill to the standing committee on railways, canals and telegraph lines. Next order of business.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): We have a large number of other private bills, and if there were no objection I would ask Mr. Speaker to call them.

Mr. Smith (Calgary West): That means reverting to the large number of divorce bills, and I will not consent. I refuse to have the business of this house juggled by this government to suit their personal interests.

Mr. Sinclair: Perhaps the hon. member has overlooked the fact that after Bill No. 66 there are Bills No. 67 to No. 106, which I believe have not yet been called.

Mr. Knowles: Oh, yes, they were.

Mr. Speaker: I understood the sponsor of those bills to ask that all divorce bills should stand, and when the bills were called earlier in the day they were permitted to stand. I hope I did not make a mistake, and that I was carrying out the wishes of the house and of the sponsor. The hon. gentleman nods, so I take it I am correct.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

OLD AGE PENSIONS

Mr. MacInnis:

1. Has the government made proposals to the provinces, seeking their co-operation for the establishment of a contributory scheme of old age pensions without a means test?
2. If so, on what date were the proposals made?
3. Have replies been received from any of the provinces, and what was the nature of such replies?

Mr. Martin: Stand.

Mr. MacInnis: Might I ask when I may expect an answer to this question? It has been on the order paper since February 21. It is a very simple question, and there is no reason in the world why the department concerned should not give an answer one way or the other.

Mr. Martin: I shall be very glad to give immediate consideration to the representations of my hon. friend.

Mr. Speaker: Stand.

SASKATOON, SASK., GRAIN ELEVATOR

Mr. Ross (Souris):

1. What amounts of different types of cereals, seeds, or other commodities were stored in the federal government grain elevator at Saskatoon, during the year 1949?
2. Who were the owners of these cereals, seeds, or other commodities?
3. What amount of charges were assessed to these owners?

Mr. Howe:

† 1.

CANADIAN GOVERNMENT ELEVATORS

SASKATOON ELEVATOR

—	Wheat (bushels)	Oats (bushels)	Barley (bushels)	Flax (bushels)	Canada Rapeseed	Screenings (bushels)	Charges
					(lbs.)		
Stocks in store, January 1, 1949, for account of 11 owners:	580	8,183	134	18,022	10,277,130#	.....	$ 8,005.00
Received January 1, 1949— December 31, 1949, for account of 5 owners:	7,640	.....	.....	.....	883,045	18,160	206.27
Total stored	8,520	8,183	134	18,022	11,160,175#	18,160	8,211.17
Shipped January 1, 1949— December 31, 1949 for account of 9 owners, plus cleaning or drying loss, invisible loss, deficit at weighover	6,767	7,998	7	17,830	11,160,175#	18,160	15,546.38
In store, December 31, 1949	1,250	185	127	192	Nil	Nil	23,757.55

† NO TE: For revised table, see page 1807.

2. It is not desirable to publish the name of the owner as this would reveal the details of the individual's business to his competitors.

3. See statement.

VAMPIRE JET PLANES

Mr. White (Middlesex East):

1. How many Vampire jet planes have been purchased by the Department of National Defence for use in Canada?
2. From whom were they purchased?
3. What was the unit price?
4. How many are now in service?
5. Where are they located?

Mr. Blanchette:

1. Eighty-five Vampire mark III jet planes.

2. The purchase was made from the government of the United Kingdom by authority granted under order in council P.C. 625, dated 21st February, 1946. This procurement was made against a credit created in the United Kingdom by the return of aircraft and equipment to the United Kingdom authorities by Canadian squadrons disbanded overseas at the conclusion of the second world war.

3. The unit cost per aircraft, including an initial range of aeroplane spares and ground handling equipment, but excluding spare engines or packing charges was £20,300 or approximately $81,200 at the rate of exchange in effect at the time.

4. Seventy-five, of which a number, approximately 25 per cent at any given time, are undergoing repairs or are in workshop reserve.

5. It is not in the public interest to publish the holdings of operational aircraft of individual units.

FEED GRAINS

Mr. Diefenbaker:

As on March 27 what was the price set by the wheat board on (a) western feed oats; (b) first grade feed barley, at Regina, Saskatoon, Winnipeg, Toronto and Montreal?

Mr. Howe:

(a) Ninety-six and a half cents per bushel basis in store Fort William/Port Arthur for

No. 1 feed oats; (b)$1.41¼ per bushel basis in store Fort William/Port Arthur for No. 1 feed barley.

The same prices would apply to the trade at Regina, Saskatoon and Winnipeg less the freight to lakehead. When retailing oats and barley, the trade would add a merchandising charge.

The Canadian wheat board disposes of oats and barley at the lakehead and does not quote on a Toronto or Montreal basis.

COVERDALE, N.B., NAVAL BASE

Mr. Brooks:

1. Were tenders called for work done at Coverdale naval base, Coverdale, New Brunswick?
2. If so, what was the amount of each tender, and who received the contract?
3. What was the total cost of this construction?

Mr. Howe: Three contracts have been awarded for construction, maintenance and repairs at Coverdale naval base, Coverdale, New Brunswick.

Contract (a): Maintenance repairs to buildings at the W/T station.

Contract (b): Painting interior and exterior trim of accommodation and operating buildings.

Contract (c): Construction of 16 buildings, well and water-storage tank, and contract work exterior to buildings.

1. Contract (a): As the repairs required were of a general nature, plans and specifications were not prepared. Negotiations were entered into with a local company who were considered to be in a position to effect the necessary repairs in a satisfactory manner and the contract was awarded to them on a cost plus a fixed fee basis.

Contract (b): Yes.

Contract (c): Yes.

2. Contract (a): Answered by No. 1.

Contract (b): 1. $3,689; 2. $3,810; 3. $3,930; 4. $6,481; 5. $10,190.

Contract (c): 1. $191,311.50; 2. $192,352; 3. $201,316.35.

Contract (a) awarded to W. Ronald McLaughlin, 490 St. George street, Moncton, N.B.

Contract (b) awarded to A. N. Clarke and Son, 131 Botsford street, Moncton, N.B.

Contract (c) awarded to Modern Construction Ltd., Downing street, Moncton, N.B.

3. Contract (a): $1,100; contract (b): $3,689 plus $558 to cover items not included in the original specifications; contract (c): $191,311.50 plus $14,204.53 to cover items not included in the original specifications.

[Mr. Howe.]

LOANS OR CREDITS TO OVERSEAS COUNTRIES

Mr. Thatcher:

1. Have any Canadian loans or credits, extended to overseas nations since January 1, 1945, been cancelled?
2. If so, what loans or credits, and in what amount?

Mr. Sinclair:

1 and 2. No loans or credits, extended to overseas nations since January 1, 1945, have been cancelled.

Among outstanding obligations of foreign countries are claims by Canada for payment in respect of supplies furnished to several European countries during the period of military occupation commencing in June, 1944. Settlement of these claims is subject to negotiations with the governments concerned. An appropriate statement concerning settlement of these claims will be made in the house at a later date.

POLYMER CORPORATION, SARNIA—SALARIES AND WAGES

Mr. Noseworthy:

In the Polymer Corporation, Sarnia, Ontario, how many people are employed at the present time in the following categories and what is the total monthly wage and salary cost of each group; (a) hourly rated employees; (b) salaried employees; (c) executives from assistant managers to president?

Mr. Howe:

	Number of Employees as of Month End	Wage and Salary Cost for February, 1950
(a) All wage payroll employees	1,307	$280,053[1]
(b) All other salaried employees	648	154,674
(c) Senior executives[2]	6	6,965
Total	1,961	$441,692

Notes: [1]includes overtime pay.

[2]includes president, executive vice-president, manager, assistant manager, comptroller, and secretary-treasurer.

POSTAL SERVICE—LOCK BOXES—HALIFAX DISTRICT

Mr. Isnor:

1. Were tenders recently called in connection with the purchase of lock boxes for various small post offices in the Halifax district?
2. If so (a) on what date; (b) where were advertisements posted; (c) what newspapers carried advertisement?
3. What are the names and addresses of those who submitted tenders, and the amount of each?
4. Who was awarded the contract?

Mr. Fournier (Hull):

1. Yes.

2. (a) February 21, 1950.

(b) In offices of—Chief architect, Department of Public Works, Ottawa, Ont.; district architect, Toronto, Ont.; district architect, Montreal, P.Q.; district architect, Halifax, N.S.

(c) *Chronicle-Herald*, Halifax, N.S.; *Mail-Star*, Halifax, N.S.; *Herald*, Montreal, P.Q.; *Le Canada*, Montreal, P.Q.; *Star*, Toronto, Ont.; *Daily Commercial News*, Toronto, Ont.; *Canada Gazette*, Ottawa, Ont.

3. Rest-Glow Mfg. Co., Limited, 6845 St. Urbain St., Montreal, P.Q., $9,487.20; Engineering Products of Canada, Ltd., 5035 Ontario St., East, Montreal, P.Q., $10,550.00; Summers Industries Limited, Smiths Falls, Ont., $11,749.00; Rubenstein Brothers Co., 50 Craig St., Montreal, P.Q., $12,546.00; The Robert Mitchell Co., Limited, Drawer 5, St. Henri Postal Station, Montreal, P.Q., $21,427.00.

4. Rest-Glow Mfg., Co., Limited, Montreal, P.Q. at $9,487.20.

COMPOSERS, AUTHORS AND PUBLISHERS—TARIFFS, FEES, ETC.

Mr. Black (Cumberland):

1. On what grounds and for what reasons did the copyright appeal board allow increases in tariffs to be made by the Composers, Authors and Publishers Association of Canada, Limited, Toronto, in each of the years 1949 and 1950, to date?

2. What is the total amount of fees that have been levied by the said association against (a) the Canadian Broadcasting Corporation; (b) private radio stations, in each of the years 1947 to 1949, inclusive?

3. What fees have been authorized to be levied against the Canadian Broadcasting Corporation for the year 1950 by the said association?

Mr. Bradley:

1. In the reports to the Secretary of State from the copyright appeal board, no grounds or reasons are given for the change in the tariffs of Composers, Authors and Publishers Association of Canada, Limited, as approved by the board.

2. Fees authorized to be collected from the various radio stations for licences to use the association's repertoire are as follows:

Year	Radio stations	Amount
1947,	Canadian Broadcasting Corp.,	$122,804.43
	private stations,	$122,804.43
1948,	Canadian Broadcasting Corp.,	$126,547.68
	private stations,	$126,547.68
1949,	Canadian Broadcasting Corp.,	$136,081.89
	private stations,	$136,081.89

3.

1950, Canadian Broadcasting Corp., $147,747.53

Questions

FEDERAL ASSISTANCE TO AGRICULTURE IN NEWFOUNDLAND

Mr. Browne (St. John's West):

1. What steps, if any, have been taken for the promotion of agriculture in Newfoundland, during the past year?

2. What work, if any, is to be done during the coming fiscal year for the same purpose?

Mr. McCubbin:

1. The Department of Agriculture has been working in co-operation with the department of natural resources of Newfoundland in taking over those activities which normally are performed by the federal department. Responsibility for inspection of animals for contagious diseases was taken over during the past year. An inspector was also appointed to examine for disease and insect pests plants and plant products entering Newfoundland. The provincial entomologist was also transferred to the federal staff.

Officers of the federal department were sent to conduct surveys during the summer of 1949 for plant diseases and insect pests. A soil specialist was also sent over to consult with the Newfoundland soil survey staff. Several other officials went to Newfoundland in connection with discussions on grading and inspection of agricultural products.

The sum of $251,168.94 was paid in freight assistance on the moving of 12,554 tons of feed grain to Newfoundland. It is expected that about $2,000 will be paid toward meeting the cost of agricultural limestone.

2. Effective April 1, 1950, the demonstration farm, formerly operated by the Newfoundland government, became part of the experimental farm service of the federal Department of Agriculture. This involved the transfer of buildings, livestock and equipment and a staff of five employees. This farm will now be operated to give the same type of service as federal experimental farms in other provinces. This will include research and demonstration on improved agricultural methods.

Discussions have been taking place with the Newfoundland authorities concerning the inspection of fruits and vegetables, poultry and eggs, and dairy products. It is expected that the Newfoundland authorities will co-operate in establishment of this type of work during the present fiscal year.

Newfoundland has asked the agricultural economics division of marketing service to conduct a survey during the coming summer on the marketing of farm products in Newfoundland. The survey will be under the direction of officers of the federal department, and the staff will be drawn from both federal and provincial employees.

Orders for Returns

R.C.A.F.—LOAN OF TRAINING PLANES TO FLYING CLUBS

Mr. Pearkes:

1. Have arrangements been made to lend Royal Canadian Air Force Chipmunk trainers to flying clubs for reserve training?

2. If so, under what conditions are these loans to be made?

3. How many Chipmunks are to be made available for this purpose?

4. To which clubs are they being distributed?

5. Will similar loans be made to flying schools?

Mr. Blanchette:

1. No, but such a proposal is now under consideration.

2. It would be proposed that the aircraft would be used exclusively for reserve training. Other conditions of loan have not been finalized.

3. Proposals provide for the loan of a maximum of 33 aircraft.

4. The flying clubs to which loans would be made have not been determined.

5. No.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CROWN CORPORATIONS AND OTHER GOVERNMENT AGENCIES—PROFITS OR LOSSES

Mr. Wright:

1. What are the names of all crown corporations, government agencies, or government enterprises, owned in part or in whole by the dominion government?

2. What were the profits or losses on each such company, agency or enterprise during 1949 and/or their last financial year?

Mr. Gagnon:

1. What boards, agencies, companies or other organizations under the federal administration showed a financial surplus for the fiscal year ended March 31, 1949, or at an earlier date?

2. What was the surplus in each case?

3. What was the deficit shown by each of the said organizations, if any?

SUBSIDIES ON RAW AND MANUFACTURED PRODUCTS

Mr. Wright:

1. On what products, either raw or manufactured, were subsidies paid during 1949?

2. What were the rates and total amounts of subsidies in each case?

3. On what services were subsidies paid during 1949?

4. What were the rates and total amounts of subsidies paid in each case?

[Mr. McCubbin.]

MOTION FOR PAPERS

HEALTH INSURANCE STUDIES

Mr. Knowles:

For a return showing the title and date of each memorandum and study prepared by the directorate of health insurance studies on matters related to health insurance, dated since April 1, 1945, as reported on March 16, 1950.

Mr. Martin: Mr. Speaker, there can be no objection to part of this motion on the understanding that all my hon. friend wants is the title and date.

Mr. Knowles: I think that is all the motion asks for.

Motion agreed to.

CANADIAN FLAG

SUGGESTED APPOINTMENT OF SPECIAL COMMITTEE TO CHOOSE A DISTINCTIVE FLAG

Mr. J. T. Richard (Ottawa East) moved:

That, in the opinion of this house, consideration should be given to the appointment of a special committee to report upon the choice of a distinctive Canadian flag.

He said: Mr. Speaker, in moving this resolution I should like to point out that the flag question has been discussed on many occasions in former parliaments. In 1924 the government appointed a committee of officials to select a design for a Canadian flag. There were debates on the subject in 1931, 1932, 1933, 1935, 1937 and 1938. In that year the prime minister, Right Hon. Mr. King, and the then leader of the opposition, Right Hon. Mr. Bennett, agreed that a committee should be appointed to recommend an appropriate design. Then there was an important debate on a resolution introduced in 1939 by Mr. Cameron McIntosh, and in 1942 a private bill was introduced by the hon. member for Quebec-Montmorency (Mr. LaCroix). However, the most important discussion on the subject in recent years took place in 1945, when the then prime minister moved for the appointment of a committee to consider and report upon a suitable design for a Canadian flag, which committee sat in 1945 and 1946.

Perhaps it is well to point out that Canada does not possess a national flag other than the union jack, except to the extent that orders in council of 1924 and 1945 permitted the use of the red ensign under certain circumstances.

The first question which arises is as follows: For what does a distinctive flag for Canada stand? Mr. Speaker, borrowing some of the words used by Mr. McIntosh, I would give the following definition. I believe a distinctive flag for Canada would stand for

individual freedom; national freedom; national unity; the rallying force in the defence of the nation in times of emergency; the common sentiment of the Canadian people; our past history; our past resolutions; our past achievements; the ideals which will lead us to overcome all that is ignoble, untrue, and all that is of a defeatist nature in the days to come. It would also exemplify the coronation oath which was taken in 1937 by His Majesty, as King of Canada. It would stand for the equality of Canada with the United Kingdom, and the building up of the commonwealth of nations. It would stand for the Statute of Westminster of 1931, by which Canada was designated not as a colony but as a sovereign nation within the ambit of the British commonwealth. It would stand also for our devotion to Canada; our national defence; our national pride, honour and glory.

Since we have acquired the right to amend our own constitution, to decide the appeals from our courts in Canada, it should stand also for our new independence. It should stand for our newly acquired prestige since the second great war, both within the commonwealth and amongst the great nations of the world. Mr. Speaker, may I remind this house that at the January conference, all the premiers of the provinces of Canada, as well as the Prime Minister (Mr. St. Laurent), reasserted the fact of Canada's independence in the commonwealth, and the desirability of making any provincial or federal amendments to the constitution entirely within Canada and by Canadian means.

A distinctive flag asserts nationality, whether it is flown afloat or ashore. When flown officially in foreign countries, it indicates the occupancy of embassies and consulates by the country of the flag. When flown at international gatherings, it shows that its country is present; and when flown at international sport meets, it is shown to indicate the winner of athletic events. Without a national flag a country cannot be recognized as being present.

A distinctive national flag engenders patriotism in the hearts of the people, and it raises enthusiasm for its country in the minds of those who see it. It teaches all, and especially the young, to love their own country or to support their country; it constitutes a rallying point in times of stress, and brings strength and respect. A distinctive Canadian flag should engender and bolster unity among the people of Canada. At no time in our history has this sentiment of unity been greater than it is now. The people of this country are seeking for a symbol to which they can look with devotion and pride, and which will represent the ideals and the qualities of a citizen of this great country.

The next question which might be raised is whether the time is appropriate. Even in 1945 the Right Hon. J. L. Ilsley, in moving the resolution, made this statement:

> There have been suggestions by some persons that this is not an important matter, and that it should not be brought forward at this time. With this I emphatically disagree. In the life of every nation symbols are important, and perhaps the most important of them is a national flag. We need only to think of the vast affection and loyalty that has attached to the Union Jack in Britain and throughout the commonwealth, and I yield to no one in the house in my admiration for that great symbol of empire. In the same way, for our neighbours to the south the stars and stripes have been an inspiration to national unity and national endeavour. We in Canada have shared the Union Jack, and we shall always honour it as the symbol of much that is best and most precious in our heritage; but we have had nothing that has been peculiarly and indisputably our own, that would symbolize Canada —all of Canada and everyone in Canada. There should be something that all can see and look to with pride, as the symbol of this great nation of ours, to which affection and loyalty can attach, and which can become the sign of the unity and purpose that will make Canada great.

I agree particularly with the last statement of the Right Hon. J. L. Ilsley, Mr. Speaker, and especially that one which relates to affection and loyalty to Canada, for at no time has it been more evident than now that it is necessary to instil into the minds and hearts of our people a strong feeling of loyalty, faith and devotion in Canada and its democratic institutions. Canadians must be united, not only in defence but in the development of the vast natural and spiritual resources which we possess. All other nations in the commonwealth have their own national flags, some of which are distinctive, and the lack of such a flag by Canadians created some unhappy incidents during the war; at international meetings; at Olympic and other sport events; at public demonstrations in Canada and elsewhere. We can be loyal to the King of Canada, and still own a distinctive Canadian flag. I do not think that there are any subjects more truly loyal to His Majesty in any part of the commonwealth at present than in Canada, and this is evidenced by the great attachment and devotion, not only to Their Majesties themselves but also to their popular representatives, Viscount and Lady Alexander.

The Hon. Paul Martin at the first meeting of the Canadian flag committee in 1945 said:

> There has been too little, not too much, national pride in that country. We are part of a great commonwealth organization that has been an example to the world, and we have every intention of

remaining a part, and of helping it on to greater and better things. We hope for much from the new United Nations Organization, in which we feel that we will play our full and active part. Our gaze is turning more and more outward, and in carrying our responsibilities in the new world, we will be better fitted to do our part if we have an essential feeling of internal unity and oneness. That is why, I think, it is important to give greater emphasis to the Canadian aspect of things, and why it is desirable that the work of this committee should result in an acceptable and appropriate design.

Mr. Speaker, we do not think of one who has a well-developed sense of local pride in his own city as lacking in his own patriotism, nor should we think of one who has a good sense of Canadian pride as being only the least devoted to the purposes and principles of the commonwealth of nations. Mr. Speaker, I believe it will be the responsibility of the present parliament to select a distinctive Canadian flag. I believe that all the parties represented in this house, at their national conventions in recent years, have passed resolutions in favour of the selection of a flag which will mark the spirit, pride, loyalty and devotion of Canadians to our country.

It would, of course, be much better to delay the adoption of a flag than to decide now upon the selection of one that is not so distinctive. In moving this resolution, I wanted it to be clearly understood that in accepting it this house would be accepting the broad definition that I have outlined as to what is a distinctive Canadian flag, namely, that it should not contain the emblems, symbols or designs of any other national flag, whether in whole or in part. I would, of course, much prefer to have this resolution in the hands of the government where it belongs, but I hope that this house will agree with me that I am expressing the wish of the majority of the Canadian people in asking for an opinion of the members regarding the formation of a committee to select a distinctive Canadian flag.

Mr. Speaker, I hope there will soon be a distinctive Canadian flag, a new symbol born to mark all that is good and all that is great in Canada; one that we can transmit to our children so that they may wave it cheerfully, salute with pride and defend, if need be with their lives, for the great privilege it represents of being Canadians.

As Mr. Ilsley said in closing his remarks in 1945:

I earnestly hope that it will be unanimously adopted by the house, and that the work of the committee will settle now and for all, and for the good of Canada, and through the growth and influence of Canada, for the good of the commonwealth and the community of nations, this question of our national flag and symbol. The children of today and, let us pray, the children of tomorrow, will strive for and gain a new peace, a new freedom and a new security under the protection of the flag of Canada.

[Mr. Richard (Ottawa East).]

Mr. Bona Arsenault (Bonaventure): I wish to say a few words, Mr. Speaker, in support of the resolution of my colleague the hon. member for Ottawa East (Mr. Richard). For many years there has been a growing sentiment in every part of Canada in favour of a distinctive national flag for Canada. Although a young nation, Canada finds herself today one of the most important powers of the world. In the course of the last half century our country has had to its credit great achievements from which Canadians derive a growing national pride and this pride translates itself, as we can feel more and more as time passes, into a distinctive Canadian spirit in every section of our country.

May I remind you, sir, that at one time some of us French-speaking Canadians were under the impression that this distinctive Canadian spirit was limited to the population living within the boundaries of the province of Quebec. But if that ever was the case, such a situation does not exist any longer. At this point I wish to warn my French-speaking compatriots from the province of Quebec against an error which is far too common among certain classes of our French-speaking population who are too often inclined to take it for granted that the only real and true Canadians in this country are those of French descent, the other part of the Canadian population being labelled or earmarked as "les Anglais", the English.

I have sat in this house long enough now to know beyond any doubt that the great majority of our English-speaking colleagues, whatever their political affiliations, are just as true, sincere and good Canadians as any of our French-speaking colleagues in this house; and the people who have elected them to this parliament must also share most of their views on most of our national issues. May I also add that the election of a French-speaking Canadian Prime Minister, with such an overwhelming majority, at the last general election, makes it obvious that this truly distinctive Canadian spirit exists outside the province of Quebec as well as within the boundaries of that province. As a result, never before in our history has there been a time when the great majority of Canadians, English-speaking as well as French-speaking, were ever prouder of being Canadians. Except perhaps for certain countries controlled by the communists, wherever in the world a Canadian may go today he is welcomed, greeted and respected as a Canadian as soon as he identifies himself as such. The time has therefore come when Canadians, proud as they are of Canada, their homeland, should

be given a distinctive sign by which they can easily, promptly and fully identify themselves at first sight as Canadians. The time is now ripe, Mr. Speaker, when this country should be given a distinctive national flag by which she can identify herself and distinguish herself from other parts of the world as well as from other nations of the commonwealth, a Canadian flag distinguished from any other national flag in the world; a Canadian flag that would make every Canadian boy and girl live not for the country from which his or her ancestors came one, two, three, nine or ten generations ago but live for, work for, fight for and be ready to die for Canada, his or her sacred native land.

My colleague the hon. member for Ottawa East has quoted a statement made by the Right Hon. J. L. Ilsley. May I quote what the leader of the C.C.F. party, the hon. member for Rosetown-Biggar (Mr. Coldwell), stated in this house on November 8, 1945, as reported at page 1939 of *Hansard*:

> I wish to see Canada with a distinctive flag, and in my opinion the red ensign with a coat of arms on it, which I would rather say nothing about, is not a distinctive flag . . . The flag of the British commonwealth is the union jack, and we respect it, but I am pleased indeed to know that my hon. friends to the right are prepared to recognize that the time has come when Canada should have a flag of her own.

Right Hon. W. L. Mackenzie King, the then prime minister of Canada, stated in this house on February 14, 1938, as reported at page 438 of *Hansard*:

> The use of the union jack on anything that is distinctively Canadian in the United States does not help to emphasize the individuality of this country or its distinct nationality; it helps to submerge them altogether.

And finally, our present Prime Minister (Mr. St. Laurent), then minister of justice, stated in this house on November 13, 1945, as reported at page 2097 of *Hansard*:

> The purpose for which it is suggested there should be a distinctive national flag is . . . to have a symbol that all Canadians can look upon as distinctively their own, not because they want to discard the union jack, but because the union jack is not distinctively their own and because they feel that their nation has now reached the stature in the family of nations that requires it to have something which can be regarded as its own.

I am sorry that we have no such statement from the leader of the Progressive Conservative party or any of his lieutenants. It has been suggested before in this house that the Canadian population was not quite prepared to accept at the present time a distinctive national flag as well as a national anthem of our own.

It has been said also that more time was needed before a government could face those two issues without arousing controversy which might endanger national unity in this country. Who will ever know the answers to those questions until such time as the Canadian people have had an opportunity to express themselves with respect to them?

Therefore I say that unless proper legislation is introduced and adopted by the house to give our country a national and distinctive flag, and an official national anthem, and within a reasonable time, a referendum should be held on those two questions. This should be done at the earliest possible convenient moment.

This procedure has been taken before. In 1941 a referendum was held on a controversial issue. This is the only accurate and democratic way of learning the will of the majority of the Canadian people with respect to those important subjects. I for one hold the sincere conviction that if such a referendum were held today in Canada concerning those two issues, in all provinces of Canada, without exception, the yeas would have it.

Motion agreed to.

MEDALS AND DECORATIONS

PROPOSAL TO ESTABLISH COMMITTEE TO CONSIDER SYSTEM OF AWARDS

Mr. Bona Arsenault (Bonaventure) moved:

> That in the opinion of this house consideration should be given to the advisability of setting up a special committee of the house to consider and report upon the creation of an entirely Canadian system of military and civilian medals and decorations to be awarded to Canadians for services beyond the call of duty and for other meritorious services, in time of war as well as in time of peace, and also for services rendered to Canada by men or women of nationalities other than Canadian, as a means of promoting good will and understanding between Canada and the other countries of the world.

He said: Mr. Speaker, the resolution is clear, and little need be added to it. If adopted it would have the effect of setting up a committee of the house to consider and to report upon the creation of an entirely Canadian system of military and civilian medals and decorations to be awarded to Canadians for services beyond the call of duty, and for other meritorious services in time of war as well as in time of peace; and also for services rendered to Canada by men and women of nationalities other than Canadian as a means of promoting good will and understanding between Canada and the other countries of the world.

Motion agreed to.

Social Security

SOCIAL SECURITY

REQUEST FOR FORMULATION OF NATIONAL PROGRAM

Mr. Angus MacInnis (Vancouver East) moved:

That in the opinion of this house, the government should consider the advisability of seeking the co-operation of the provinces for the purpose of formulating a program of social security that will be national in scope, adequate in its provisions, and that will cover all the people of Canada in every circumstance where the individual or the family is, for reasons beyond their control, deprived of earning a living.

He said: Mr. Speaker, if I thought this resolution would have as easy a time as the two immediately preceding it, my comments in proposing it would be brief indeed. However, I am afraid the government is not so ready to accept an over-all social security program, such as I am now suggesting, as it is, if one may judge by the two preceding motions, to accept a distinctive Canadian flag and to set up a committee to look into the granting of medals. If it were as ready in the present instance to accept my suggestion, there would be no real necessity for a long debate.

At the last session of parliament I introduced a resolution substantially similar to this one. I believe it was moved on October 3, 1949. On that occasion I made what I thought was a reasoned case for the enactment of an over-all social security program for Canada.

Tonight, first of all, I should like to reply to some of the criticisms of my resolution of last year made by the Minister of National Health and Welfare (Mr. Martin). May I first of all draw attention to the fact that the resolution I introduced last session was found to be out of order because of the wording, and with that in mind I have this year made the slight amendment necessary to bring my resolution strictly within the rules of the house.

My resolution reads:

That, in the opinion of this house, the government should consider the advisability of seeking the co-operation of the provinces for the purpose of formulating a program of social security that will be national in scope, adequate in its provisions, and that will cover all the people of Canada in every circumstance where the individual or the family is, for reasons beyond their control, deprived of earning a living.

Because of the criticism offered by the Minister of National Health and Welfare I have in my present resolution made a slight change in the third to last line. One of the reasons given by the minister for refusing to accept my resolution was that in it I had asked that social security apply to every citizen of Canada. He pointed out that there were many Canadians who do not live in Canada, and that for that reason he could not accept my resolution. I think that criticism was on a par with his other criticisms. They were petty, niggling objections. If I had attempted to cover all the people in Canada I have no doubt that he would say he could not accept it because of that. I do not suppose that I could formulate a resolution that would be so word perfect that the minister could not find fault with it. I imagine he would find fault with any resolution unless the government was ready to accept it.

However, it will be noted that the resolution in its purpose is the same as the one introduced last year. It asks the government to seek the co-operation of the provinces. I should like to quote from page 481 of *Hansard* of October 3, 1949, where the minister is reported as follows:

Then, another objection I see to these very doubtful terms is that the resolution as a whole takes no account whatsoever of municipal responsibility.

Surely when the minister made that statement he must have realized that I have been long enough in this house to know that if I were to ask the government to seek the co-operation of the municipalities I would be told by the Minister of National Health and Welfare that they are the creation of the provinces and for that reason this government could have no dealings with them. I point that out to the minister because I know that would be his stock answer if at any time I had made the suggestion which he found fault with me for not making. The minister went on to say:

Then again—and I have to interpret the resolution very strictly, because of its implications—this resolution in its final terms does not take into consideration a citizen or individual who might himself be guilty of an act which would put him out of the wage-earning market, or the income-earning market —and there are a few such individuals. A man could deliberately—and we have had such cases—dismember his two hands, and yet under this resolution he would be entitled to benefits.

I submit that that is a new low in criticism, even for the Minister of National Health and Welfare. As a matter of fact under the law in Canada today a person would receive compensation, even if his injury were caused by his own negligence or even worse. Even if that were not the law, does any member of this house suppose that if Tom Jones or Bill Doe or somebody else were to cut off his two hands—that is a far-fetched mutilation—he would be allowed to starve? Decidedly not. If a man takes another's life we feed and look after him until we put him out of the way by legal processes, and we would clothe and shelter this other man and provide someone to feed him because he would not be able to feed himself. As I say, this

is a new low in criticism of a resolution put forward in a serious manner. The minister went on to say:

> The final observation I would make in this particular is to indicate, as I said at the outset, that there is no country in the world with a provision of this kind. Take a country where, it may be suggested, social security benefits are most comprehensive—and it has been suggested the United Kingdom is such a country; for the purposes of argument let us accept that suggestion. But in the United Kingdom there is no social security measure which provides social security assistance for all citizens of the United Kingdom in every circumstance where an individual or family is for any reason deprived of the opportunity of earning a living.

I submit that there is such legislation in the old country and I submit that there is even such legislation in Canada. It may not be adequate, but any person not able to provide for himself is now provided for either by federal, provincial or municipal legislation. But any reasonable deduction from the terms of the motion and the words used to explain it would be that what I was proposing was that we should integrate our program so that every individual, be he citizen or resident—I will go that far with the minister—shall be entitled to food, clothing and shelter if he is unable to provide himself with these things for reasons beyond his own control.

That is the essence of our social legislation, to make provision for those people who for reasons beyond their control are no longer able to provide for themselves. Sooner or later we will reach the position where that provision will be made on a more adequate and orderly scale than at present. I am sure that if the minister did not find himself in the position where he had to reply to a resolution which he knew the government would not accept he would agree with that point of view. I think I can leave the minister's criticism there. I was sorry I did not get an opportunity to reply to him at the time, but perhaps his criticism is not worthy of a reply even now.

There are one or two other points I wish to make. When I introduced the resolution last session—and I appreciate that the minister noticed my effort to avoid as far as possible, and it was completely possible, the making of political insinuations or the drawing of political comparisons—I had one purpose in view, and that was to get the principles of the resolution accepted by the house. I also pointed out that I knew all the tricks if I merely wanted to make political capital.

When the hon. member for Vancouver-Quadra (Mr. Green), who followed me in the debate, began his remarks he made a statement to the effect—I have not got his speech before me—that C.C.F. members always made it appear that they were the only people who were interested in social security matters. I do not believe that any C.C.F. member takes that position. Certainly I did not take that position in introducing the resolution, but even if I or other members of the C.C.F. had done so members of the Progressive Conservative party should be the last to accuse us. My memory of the Conservative party, and it goes back for more years than I care to admit, is that they have considered themselves as being the real guardians of all the true patriotism in this country. But as a matter of fact, not only does the C.C.F. take the lead in these matters, but it is admitted by people who are opponents of the C.C.F. that we do lead.

I am going to put two or three references on record tonight for those who might care to try to refute them. We have had considerable discussion about old age pensions during the present session, and I imagine we will have more before the session is over. During my part in that debate I made reference to the many times that I have heard old age pensions discussed in the house. In 1931, under the government of the late R. B. Bennett, we had a fairly long debate on how the old age pension legislation came to be enacted. I wish to read to the house a short statement made by the then prime minister, Mr. Bennett, which will be found at page 4200 of *Hansard* for that year. Referring to a speech that had been made by the then leader of the opposition, the Right Hon. W. L. Mackenzie King, he said:

> What would the hon. member for Winnipeg North Centre (Mr. Woodsworth) have said if when the bill was introduced he had listened to the speech he has listened to this afternoon? What would he have thought? He was the man who forced this upon a reluctant administration.

He was referring to the old age pension.

> The hon. member for Winnipeg North Centre never made any bones about what he wanted, he was frank and open about it, and he said, "the necessity of one party is my opportunity, and I am going to press it to the full for the benefit of my friends." And he did.

When you find a man with as little sympathy for the C.C.F. as the late Viscount Bennett making a statement of that kind you can accept it that the statement is correct. I should like to quote now from an editorial that appeared in a publication which has never shown any partiality towards the C.C.F. The editorial I now have in my hand appeared in *Maclean's* magazine of August 1, 1948, following three federal by-elections which were won by the C.C.F. in May and June of that year. The editorial reads:

> Old line politicians are talking too much, and doing too little, about the recent victories of the C.C.F. To listen to some of them, you'd think the

election returns of the past two months were a personal triumph for Uncle Joe Stalin. This is not only rubbish, it's the blindest kind of buck passing. Chief credit for the C.C.F. hat trick goes not to Uncle Joe, not even to the C.C.F., but to the old line politicians themselves.

There was never anything more true than that.

Saskatchewan wheat farmers, B.C. fruit growers, Ontario factory workers are neither communists nor socialists. They are ordinary democrats who are fed up with the sloth, the empty talk, the general inanity of the old parties. In three federal by-elections and in Ontario they voted against the government—present and past. In Saskatchewan they voted for a government whose chief accomplishment has been to implement measures which the Liberals and the Conservatives have been promising for years.

That is not taken from a C.C.F. publication, or even from a publication sympathetic to the C.C.F. It is taken from one that is inclined to be Conservative, and certainly opposed to C.C.F. philosophy. The editorial goes on:

Hospital insurance is one example. Even though the cheapness and effectiveness of the Saskatchewan plan are still open to debate, the fact remains that Saskatchewan is the only province that has a hospital plan in operation.

That was true in 1948. The province of British Columbia was compelled to put a hospital plan on the statute books because the C.C.F. Saskatchewan government had done it in that province.

Every party in Canada, so far as we know, is on record in favour of this. The federal Liberals campaigned on a platform in 1945, of which health insurance was only one plank. Ever since, they have been producing one excuse after another—the dominion-provincial conference broke down, the doctors couldn't agree on a federal act, there aren't enough hospital beds, et cetera, et cetera.

All the excuses they have given are about on a par with the criticism advanced by the Minister of National Health and Welfare (Mr. Martin) against my social security resolution in 1949. Then the editorial goes on:

Liberals aren't the only ones who have fallen down on their professed intentions, for every party in Canada holds power in some province—

But only in one province was there hospital insurance, and that province had a C.C.F. government.

I do not wish to take time to read the rest of the editorial, but I think I will quote the last two lines:

Both the old parties say they're not opposed to reform. What's holding them back?

That is what the people of Canada are asking; what is holding them back? They have the power to do the things they have been promising for years; if only they had the will, they would have been done long ago. I think I shall take time to give just one other reference. You know, in most of the western provinces C.C.F. supporters are fairly numerous; and while the daily newspapers in those provinces criticize and even libel us during election times, between elections they have to be more or less decent, or perhaps I should say friendly, because newspapers must have circulation. So generally after an election is over they try to make some amends for their confusing editorials and the lack of news space which they give us during the campaigns. In an editorial in the Vancouver *Sun* I found this:

Canada needs a strong party of the left, a party of protest, a party which advocates policies entirely opposed to those of the existing government. The Co-operative Commonwealth Federation is that party and it is doing a good job . . . This newspaper does not believe in the socialist theories of the C.C.F., but it believes in letting the people judge these theories for themselves.

I would add, just sometimes.

It believes in the fullest public discussion of the ideas held by C.C.F. leaders. It believes they are able, sincere Canadians. It believes also that the C.C.F.—or at least the general theory which it stands for—is becoming the real alternative to the Liberal party in Canada, since the Conservative party has adopted almost entirely the policy of the present government . . .

Then it continues:

It has been the C.C.F. in British Columbia and in Canada, fighting day in and day out for the poor people, that has compelled the government to progress, to adopt reforms which otherwise would not have been adopted . . . The C.C.F. remains the only sure voice of social protest in the country.

Even if we did not claim to be the only party advocating social security legislation, which I am quite free to admit we are not, here we have fairly good evidence that a great many people believe we are the most active.

During my remarks on the resolution last year I drew attention to the fact that I was making no reference to how such a scheme or plan would be financed, nor am I going into details tonight. It should be apparent to every sensible person, however, that social security services of whatever kind as I said on that occasion will have to be financed from the national income in the same way that we finance other national projects. Last year when we were increasing the salaries and pensions of supreme court judges no one asked how those salaries and pensions were to be financed. No one asked because everyone knew. Why then should we ask how an old age pension is to be financed? Surely the mothers who bore and raised the men and women of this country are as much entitled in their old age to a reasonable and decent standard of living as a judge who for a few years has presided over our courts or a person who has served in our military

forces or one who has served in our civil service or those others for whom we provide pensions. I am saying now that the time has surely come when the intelligent men and women who make up the population of this country should see to it that when the fathers, the mothers, the sick and the crippled of this country are no longer able to provide for themselves, provision shall be made for them in an orderly way, to which they will be entitled without any stigma of charity being attached to it. If I were to make that statement privately to any member in this house, I doubt if he would disagree with me. I sometimes meet people in need in my constituency, Mr. Speaker. In matters of this kind I find that the people regard the constituency as the whole of the city of Vancouver. I have no doubt but that some residents of Vancouver East on occasion take their troubles to the member for Vancouver South (Mr. Laing), or Vancouver-Quadra (Mr. Green), Vancouver Centre (Mr. Campney) or Vancouver-Burrard (Mr. MacDougall), just as some of the residents of those constituencies bring their troubles to me. I want to tell you, sir, that I have often felt ashamed of my comfortable home, my clean bed and my regular meals, when I have seen the conditions under which some people are compelled to live. Many of these people have done their stint for their country. They have tried to provide for themselves and look after their children, but have failed to accumulate sufficient to look after their old age. Often their position is worse than that of a person who has not tried at all.

For these reasons, Mr. Speaker, I suggest to the house that the time has arrived when this government should seek the co-operation of the provinces to work out an over-all social security program that will make provision for every man, woman and child in Canada for whom Canada is responsible and who, for reasons beyond their control, are unable to make provision for themselves. In 1945 the government went a considerable distance in this direction. It did not go as far as my resolution, but for the time being I would perhaps be satisfied with somewhat less than the resolution calls for if I knew we were beginning, and we were going to build as we went along. As was pointed out in the article in *Maclean's* magazine, the government makes the excuse that all of the provinces would not agree. In 1947 when the present leader of the Liberal opposition in the Saskatchewan legislature was a member of this house, in speaking on a similar question he made a statement, as reported in *Hansard* of June 30, 1947, that he was advocating a general agreement with all the provinces along the lines of the proposals in the green book. He said:

> . . . if general agreement cannot be had, those proposals will be made available to each province to accept singly.

There you have the leader of the Liberal opposition in one of the provinces proposing that, if the provinces will not act together, the federal government should put social security on a basis upon which each province will be able to accept it, and make its own agreement with the federal government. I suggest to the Minister of National Health and Welfare (Mr. Martin) that the time has arrived when we should not be passing little bits of social security legislation one after another, but that we should approach the provincial government to try to work out a scheme such as I have suggested in this resolution.

Hon. Paul Martin (Minister of National Health and Welfare): The resolution which is now before the house, in the amended form in which it has been presented, certainly has a more desirable content than it had before. In spite of the criticisms which have been levelled by the hon. member who has just spoken regarding my objection to it in the form in which it was discussed in this house a few months ago, I cannot deny that one of the underlying benefits of the resolution is that it calls upon the government to consider the advisability of seeking the co-operation of the provinces for the purpose of formulating a program of social security that will be national in scope and adequate in its provisions.

A great deal of the discussion that has taken place in this house with regard to the matter of social security envisages a responsibility to be borne entirely by the central government. Speaking on behalf of the government on a number of occasions, I have sought to indicate that our belief with regard to the implementation of a social security program is predicated upon the conviction that, in a federal state like Canada, we must have the co-operation of the provinces, not only in the formulating of programs but in the administration of them. I hope that the resolution which has been introduced by the hon. gentleman will serve to dissipate the opinion that exists in many quarters that the party to which my hon. friend belongs believes that social services should be maintained entirely by the federal

government. His resolution does not envisage that; and, because it does not, I am glad to be able to give with regard to that particular portion of the resolution a word of commendation.

There is one point that the hon. gentleman has failed to emphasize: not only should the government consider the advisability of seeking the co-operation of the provinces in connection with this matter, but perhaps his statement would have been more complete if he had said that the government in fact does, in its policies and in its administration, continually seek the co-operation of the provinces with regard to the formulation of a program of social security.

Mr. Hodgson: It did not on the baby bonus.

Mr. Martin: My hon. friend says that it did not with regard to the baby bonus. I can only take that as another indication that the party to which my hon. friend belongs does not really believe in family allowances.

Mr. Hodgson: Where did you get that from?

Mr. Martin: If he really believed in family allowances the hon. member would not use the phrase "baby bonus". I may say that the program of family allowances was vigorously opposed by the party to which my hon. friend belongs—

Mr. Hodgson: You did not consult the provinces on it.

Mr. Martin: —a program that has now won wide acceptance by the people of this country and which is bringing increasing social benefits to the children of this nation, over four million of them, every month. My hon. friend says that we did not consult the provinces. I can only take that as another indication that he is not himself satisfied about the validity of family allowances as a social security measure. On Wednesday the government, through the Department of National Health and Welfare, will be discussing with the ten provinces, through the dominion council of health, important matters affecting the health of the people of this country. Every year—twice a year, as a matter of fact—we sit down in Ottawa with the provincial departments of health, discussing ways and means of making more effective the kind of co-operation which my hon. friend says that we should seek in attempts to formulate more adequate programs of social security. Two weeks ago we sat down again with representatives of all the provinces to further the development of our physical fitness program. On May 25 we are sitting down with all the provinces to discuss the whole problem of rehabilitation of the handicapped of this country, at a conference that has been summoned as a result of the invitation extended by the Minister of Labour (Mr. Mitchell), the Minister of Veterans Affairs (Mr. Gregg) and the Minister of National Health and Welfare. All along, in almost everything we are doing in this field, we are seeking continually the co-operation of the provinces because we believe that while there are some matters such as workmen's compensation and mothers' allowances that traditionally have been initiated, and are now being administered, by the provinces, there are other matters that can more effectively be undertaken as a result of joint co-operation.

Old age pensions is one of those. That represents a joint co-operative effort. That act came into being on an enabling basis and its effective provisions were made possible only in the light of action that was taken subsequently, as a result of basic legislation passed by this parliament, followed by provincial action; and that act has not been without significance. Unemployment insurance came into being as a result of the determination of this government to do what this resolution suggests, to seek the co-operation of the provinces. Under the Unemployment Insurance Act we had no power under the constitution to deal with the matter of compulsory contributions to make unemployment insurance effective. To bring that about, we asked the provinces if they would endow the federal government with the necessary constitutional power to enact the Unemployment Insurance Act. That consent was given and we now have the Unemployment Insurance Act. But the important consideration for the point that I am making now is to realize that that legislation came about as a result of co-operation between the dominion government on the one hand and the provincial governments on the other; and in the process of that collaboration we have developed, in spite of what the hon. gentleman persists in saying to the contrary, a social security program in this country of which we have every reason to be proud. That does not mean to say that it is perfect; but to underestimate it is not to act in a responsible way. Our total national expenditures now amount to $2,400 million. Of that sum we are spending for

health and social welfare on federal and provincial accounts over $850 million. I ask my hon. friend who has just spoken—

Mr. Knowles: Keep the figures straight. That is not $850 million out of $2,400 million. Keep the figures straight.

Mr. Martin: I ask my hon. friend who has just spoken if he can give me one country that spends out of its total governmental expenditure as much on health and welfare as does the Dominion of Canada. And of that $850 million—and as a matter of fact, that is an underestimate; that is not the exact figure—

Mr. Knowles: On a point of order, Mr. Speaker—

Mr. Martin: You can make your speech later.

Mr. Knowles: Just a minute. If the Minister of National Health and Welfare (Mr. Martin) gets away with this without challenge—

Mr. Martin: Out of that $850 million we are spending on federal account almost 80 per cent; and to say that we are not developing a social security program in this country is not in conformity with the facts.

Mr. MacInnis: Eighty per cent of what?

Mr. Martin: Family allowances represent this year an expenditure of close to $300 million as a result of which we are paying every month to over four million children, representing close to two million families, moneys with which to improve nutritional standards, health opportunities, educational advantages and so on. Does anyone in this house deny that our family allowances legislation is comparable with that of any other country in the world? Does anyone in this house deny that there is no family allowances act in the United Kingdom, in Australia, in New Zealand or in those other countries that have them such as France, Belgium, Switzerland, where the amounts are comparable?

Mr. MacInnis: Mr. Speaker—

Mr. Martin: I have only a limited time.

Mr. MacInnis: You did not give the figures.

Mr Martin: There is the Family Allowances Act. Does anybody deny—

Mr. MacInnis: I deny it.

Mr. Martin: Does anybody deny that our Old Age Pensions Act is a matter that represents a progressive step? My hon. friend has said nothing about the increases in old age pensions. He has said nothing about the reduction in the age limits—

Mr. MacInnis: I did not say anything about the increase in the cost of living, either.

Mr. Martin: —of our blind pensioners from 40 to 21. The real trouble about my hon. friend is that he persists in making these statements, and as long as he goes unchallenged he is happy; but the moment he is challenged, he continually interrupts.

Mr. MacInnis: What statements?

Mr. Martin: Will my hon. friend deny—

Mr. MacInnis: Give me the time to deny; the minister has asked me to deny, and I say to him to give me the time to deny.

Mr. Green: Eleven o'clock.

Mr. MacInnis: You cannot have it both ways.

Mr. Martin: Will my hon. friend deny the value of the veterans' charter?

Mr. Green: Eleven o'clock.

Mr. Martin: I can only take it that the irritation with which my hon. friend is obviously seized at the moment is due to the fact—

Mr. Knowles: It is due to the misstatements of the minister.

Mr. Martin: —that he does not like it to be told that anybody but the C.C.F. can bring in social security legislation, when the fact is that every bit of social legislation put on the statute books of this country in this parliament was put on by a Liberal government.

Mr. Knowles: Holler louder; your speech is weak.

Mr. Green: That is a lot of nonsense.

Mr. Martin: That is what irritates my hon. friend most.

Mr. Fleming: Dream some more.

Mr. Green: Eleven o'clock.

Mr. Martin: May I adjourn the debate, Mr. Speaker?

On motion of Mr. Martin the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we shall move to go into committee of supply and we

shall call the following departments: Citizenship and Immigration, Mines and Technical Surveys, Resources and Development. Then we shall proceed with the resolutions to set up the following committees: on the Dominion Elections Act, 1938, and amendments; on national research council; and on radio broadcasting. If these resolutions pass, we shall take up the three resolutions in the name of the Minister of National Defence (Mr. Claxton).

Mr. Graydon: I take it from what the minister has said that the first items in citizenship and immigration, mines and technical surveys, and resources and development will just be called, and then asked to stand.

Mr. Fournier (Hull): That is right. We will not discuss estimates tomorrow.

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

HOUSE OF COMMONS

Tuesday, April 18, 1950

The house met at three o'clock.

TRANS-CANADA AIR LINES

PROPERTY AND EQUIPMENT BUDGET—SUMMARY OF OPERATING BUDGET

Right Hon. C. D. Howe (Minister of Trade and Commerce): I desire to lay on the table two statements relating to the operations of Trans-Canada Air Lines. The first is a copy of the property and equipment budget of the company for the fiscal year ending December 31, 1950. The second is a summary of the operating budget of the company, comparing the financial results of Trans-Canada Air Lines for the fiscal year 1949 with the financial forecast for the fiscal year 1949 and the financial forecast for the fiscal year 1950.

CANADIAN WHEAT BOARD ACT

AMENDMENTS RESPECTING CONTROL OF ELEVATORS AND RAILWAYS, ETC.

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a bill to amend the Canadian Wheat Board Act, 1935, *inter alia*, to extend the provisions of "Part II—Control of Elevators and Railways" to August 1, 1953, to extend the definition of "pool period" to include each crop year subsequent to July 31, 1950, and prior to August 31, 1953; to vary the payments by the board to producers selling and delivering wheat produced in a designated area; to extend the provisions of "Part IV—Regulation of Interprovincial and Export Trade in Wheat," to August 1, 1953; and to substitute a schedule of mills and warehouses declared works for the general advantage of Canada for the present schedule to the act.

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

Motion agreed to.

SUPPLY

Hon. Alphonse Fournier (Minister of Public Works) moved that the house go into committee of supply.

ACTION OF POST OFFICE DEPARTMENT IN DENIAL OF USE OF MAILS

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, the motion that the house resolve itself into committee of supply affords members an opportunity of bringing before the house what may be considered to be grievances. It is in that light that I bring before the house a matter which has been touched upon on two occasions but in my submission has not received consideration at the hands of the house, and certainly has not received from the government the consideration which the seriousness of the matter justifies.

On March 29 my leader raised the question by way of illustration of the dangers of unlimited and arbitrary powers being vested in government officials without any recourse or appeal to the courts. The subject to which I refer is of course the recent action of the deputy postmaster general in denying to certain persons in the province of Ontario the use of the mails.

The subject was again referred to in the house on April 5, when the leader of the opposition (Mr. Drew), at page 1562 of *Hansard*, put certain questions to the Minister of Justice (Mr. Garson). My leader said:

I wish to ask the Minister of Justice whether he has given consideration to the extent to which the Post Office Department is usurping the authority and responsibilities of the Department of Justice in acting as a court by making decisions as to the guilt or otherwise of certain people using the mails of Canada. According to his published statement, the deputy postmaster general is deciding, without notice to the people affected, whether they may or may not use the mails.

To that inquiry the Minister of Justice made this reply:

Without in any way acquiescing in the allegations of fact which the hon. member has made in his question, I may say that the matter to which he has referred has had consideration and is still under consideration.

We have had no information whatever from the Minister of Justice as to the outcome of the consideration which his department is giving to the question. I submit it is a matter of great importance, and unless the government takes the house into its confidence and either justifies what has been done, on whatever grounds may appear to the government to justify the action, or expresses disapproval of the action taken, then I think the house has every right to feel that the matter has not received from the government the consideration to which it is entitled. Certainly when it was referred to in the house by my leader on March 29 in the statement he made at that time it was not even mentioned in any

reply by the government, and I think the attitude taken by the government on that occasion was quite cavalier.

Putting the facts briefly, they amount to this: that by decision of the deputy postmaster general—

Mr. Lapointe: Of the Postmaster General.

Mr. Fleming: Of the Postmaster General; and I am sorry it is necessary for me to raise the question in his absence. We all regret his illness, and if the matter were not an urgent one I would have much preferred to await his return to the house. The Solicitor General is the Acting Postmaster General, and I should like to proceed with it under those circumstances.

By decision of the Postmaster General, the use of the mails was denied to some dozen or more people. I think the circumstances under which that denial came about are less important than the clear and far-reaching issue raised by the fact that the action was taken without giving any opportunity whatsoever to those concerned to take their cases to a court or other tribunal where the issues might be discussed, and where they might have an opportunity to disprove the allegations made against them.

I am not undertaking this afternoon to pass judgment, either for or against, on the actions of the persons concerned. I do not think there is any person in the house who is justified in undertaking to do so without having heard both sides of the case. I doubt if anybody in the house has heard both sides of the case. We have seen in the press the statement issued by the deputy postmaster general several weeks ago in which he said in effect that the reason for this strong action was that the persons concerned, most of whom I believe were brokers, were either sending or receiving through the mails matter designed to promote the sale of certain stocks, which matter he thought contained statements which went beyond the facts. He may or may not have been correct in that conclusion; but not only are those dozen or more people affected by the drastic action taken by the Postmaster General, but there are also a great many more who in the ordinary course are in communication with those dozen or more people through the mails.

In one case, about which I know something, the action taken of course affected the person concerned, and will probably have a very serious effect on his business. It will probably end his business, because anyone in that position simply cannot continue if he is denied the use of the mails. The point which I think should be of interest to all members of the house is that about a thousand people were affected by the denial of the use of the mails to that one individual. Let us not think of this simply as a matter of a dozen brokers doing business. It is a question of the rights of those with whom they are ordinarily in contact and who have certain interests at stake in the light of the treatment that their mail receives. In that one case about a thousand people are involved. They are losing money, and may lose investments as a result of the action taken with respect to one man.

I emphasize again that I am not undertaking to pass judgment on the way any of these people conduct their business. No member of the house is going to look with equanimity on the attempt of anyone to use the mails for a fraudulent purpose. We have laws to deal with such cases. We have the Criminal Code, and, as to the rights between broker and client and the measure of responsibility that those engaged in the purchase and sale of stocks owe to the public, we have in all provinces—we certainly have in Ontario —securities laws and securities officials. This case may be, and no doubt is, one for the securities commission of the province of Ontario, which has ample power to deal with brokers who are carrying on their business in violation of the law or without due regard for honesty in business dealings. Therefore in my submission it is not necessary for the Post Office Department to undertake to make laws in substitution for the Criminal Code of Canada as enacted by this parliament, and in substitution for the laws of the province in relation to regulation of transactions involved in the purchase and sale of stocks and the control and regulation of the activities of those engaged in that business.

I have mentioned that in the light of this arbitrary action there is no recourse whatever to the courts on the part of those concerned. No opportunity is given them to seek, at the hands of the courts of this land, an adjudication of the question whether they are guilty of the offence charged against them. In that respect, sir, in my submission it is striking at the very heart of the freedoms that individuals enjoy in this country, at the rights that ought to be guaranteed them beyond any attack at the hands of officials of this government.

Hon. members who take the trouble to read the provisions of the Post Office Act will see that where parliament has created offences under this act, parliament has been careful to define the penalty in each case and to enact laws leaving to those charged with such offences an open door to the courts. In the action taken in this instance, however, there is no open door to the courts.

Those affected by this action on the part of the department have nowhere to go. By the action of the Postmaster General they are marked and labelled as culprits and malefactors, and are given no opportunity to place their side of the case before a properly constituted tribunal. They have no appeal whatever.

As to the spirit in which the action has been taken, I have only one observation to make, because I think it is indicative of the mentality of government officials when these drastic, sweeping and arbitrary powers are placed in their hands, far beyond challenge in any court. I am informed that the statement was made by the deputy postmaster general in the presence of a former Liberal member of this house that he did not care what the Supreme Court of Canada or any other court might say in this matter; that he had powers given him under the act and regulations, and he would use those powers without the slightest regard for what the courts might say. If the Department of Justice is prepared to hold that the action taken by the Post Office Department in this case was within the terms of the Post Office Act or any regulations issued under it, all I have to say is that parliament ought to deplore that in enacting this legislation a previous parliament went much further than it ought to have gone, certainly much further than it would have gone, I am sure, if it had foreseen the use that would be made of those powers and the advantage that would be taken of them in this arbitrary way.

When I hear of government officials holding senior positions, having in their hands the interests not alone of these dozen or more people but of a great many other citizens doing business with them, taking that arbitrary attitude and saying: Well, the courts have no control over me, and I do not care what the courts say, then I think it is high time that parliament took cognizance of the situation and asked itself, in the first place, whether it would be justified in leaving on the statute book measures which are capable of such arbitrary use, and, in the second place, whether it should tolerate the retention in office of officials who take such a high-handed attitude. I am afraid we are seeing, in this attitude on the part of one official, the result of the schooling he has received over the years.

The extent to which this action had its inspiration in requests emanating from the United States has not yet been fully clarified. The fact of the matter is that this action accompanied somewhat similar steps taken by the United States authorities, of course without consultation with the officials of the securities commission of the province of Ontario. I am sure every member of this house always wants to approach matters of common concern as between Canada and the United States in a spirit of the utmost co-operation, but there are limits to the extent to which officials of the Canadian government are justified in acting at the request of officials of the United States government. Our principal responsibility is to our own people. Those who sat in the last parliament will not soon forget that an extradition treaty which would have placed Canadian citizens substantially at the mercy of the securities officials of the United States was actually submitted to a committee of this house for review. If I remember rightly, that was during the session of 1945. After a detailed and thorough investigation of that extradition treaty and its implications with respect to citizens of Canada, the external affairs committee recommended to this house that it should not be ratified or permitted to come into force in Canada. Why? Because it placed Canadian citizens virtually at the mercy of the securities laws and securities officials of the United States. I think that committee adopted a very sensible attitude in saying that the people of this country should be guided by the laws of this country. When they offend or infringe our laws, they should be dealt with according to those laws; but while residing in Canada they should not be subjected to the laws of another jurisdiction.

In conclusion, Mr. Speaker, I say to you that this is much more than a question of the rights of some twelve people, and much more than a question of the rights of those doing business with them. When you see the Post Office Department simply stepping in and saying to a person that he shall not receive any mail, you realize how drastic that action is, and how seriously it challenges what we conceive to be the fundamental freedom of the citizens of this country. Parliament must take cognizance of this occurrence. Parliament ought to express itself as completely disapproving arbitrary actions of this kind. Parliament should say to the Post Office Department: We have laws in this country to deal with matters of this kind; if there has been an offence against the Post Office Act or against the Criminal Code, the law should be put in motion and those persons prosecuted to the limit of the law. If it is a matter of improperly imposing upon clients or those doing business with them, then I am sure the securities commission of the province of Ontario can be trusted to take the necessary action to deal with brokers who have offended against the law. But, sir, I submit that parliament has no right to tolerate a situation in which people find themselves virtually denounced, and certainly held up before the public malefactors and felons, when no opportunity whatever is

given them to disprove the charges. If the law permits what was done in this case, the law ought to be changed. Parliament ought to put it beyond the arbitrary reach of any government official to place people in such a position that they may be virtually found guilty and denounced without having had any opportunity to submit their case to the courts of the land.

Mr. Coldwell: Mr. Speaker, I do not want to pursue this particular matter. I wish to raise a different question.

Mr. Garson: If my hon. friend is going to pass to another subject, perhaps I might be permitted to reply.

Mr. Coldwell: That is exactly why I mentioned it. I do not want to lose my right to speak.

Mr. Speaker: If another subject is introduced at this time, then the house cannot revert to this subject upon this motion. I understand that the Minister of Justice wishes to speak on the question which was raised by the member for Eglinton?

Mr. Garson: Yes.

Mr. Speaker: Very well.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, that the member for Eglinton (Mr. Fleming) has brought up a matter which we in the Department of Justice have regarded from the outset as one of considerable importance, I think no member of the house will doubt. That the hon. member has been fair enough in his examination of the details not to pass judgment for or against until he has the facts before him, we shall also all agree.

I want to confess at once that I find myself at the moment in a position of considerable embarrassment, which arises from these facts. When this matter was brought to the attention of the Department of Justice, it appeared that some time previously the Broker-Dealers Association had interested itself in this order, and, through its counsel, Hon. Charles P. McTague, K.C., made representations to two outstanding civil servants. I was informed and believed, and the facts proved that the information was correct, that in due course Mr. McTague would write to me setting forth the considered views of the Broker-Dealers Association upon this important matter. Being desirous, so far as it lay within the power of the justice department, to hear both sides of the case, we did suspend any opinion that we might reach in the matter until after receipt of that letter. I have been waiting for the letter from Mr. McTague, and it was for that reason, amongst others, that when the question was raised by the leader of the opposition I indicated that the matter had been under consideration and was still under consideration.

As a matter of fact the letter from Mr. McTague did come forward, but only a few minutes before noon today. I have it in my hand, but I have had no opportunity of reading it, let alone discussing it with my colleague the Acting Postmaster General, or with any of his officials or with any of the officials of my own department. The letter is four and a half pages of single-spaced typewriting. I have no doubt it deals in a comprehensive and exhaustive manner with all the important points, some of which have been touched upon by the member for Eglinton, as to why the act itself may be considered unfair from the standpoint of the broker; and, in addition, to the question whether the way in which it was invoked in the present case may also be considered unfair.

In fairness to all concerned, and as well to the members of this house, I think it would be much better for the government to make a statement on this matter after considering not only the excellent statement made by the member for Eglinton, which I am sure he himself would be the first to admit might not be as comprehensive as that of counsel who had gone into the matter thoroughly, but also in detail the arguments presented by Mr. McTague. If the members so desired we could file the McTague letter, and then make a statement in which we would take up point by point all those allegations which he makes. I suggest that is the course we should follow. I would hope then that the judgment which my friend the member for Eglinton has so far reserved might be exercised on a complete statement of the facts and the law; because it then would be worth while for him to exercise his judgment. He would not then be making the statements he has made this afternoon, which I think with all respect he would find some difficulty in supporting, about what Mr. Turnbull, the deputy postmaster general, is supposed to have said to some person concerning his position in relation to the superior courts. He would not then make the statements he has made concerning the position of the people other than dealers who are affected by these orders, nor would he make the slightest suggestion that this order was made at the request of the authorities of the United States of America.

As the member for Eglinton has indicated, and I am in entire agreement with him, this is an important matter, involving, amongst other things, that most important question of individual rights of the subject. It is a

matter in respect of which I think it is desirable that we have a careful statement of the law and facts before we reach any sort of judgment, even the collateral judgments such as my friend appears to have reached. I suggest therefore, Mr. Speaker, that within a day, or perhaps two days, I should on a similar occasion on going into committee of supply, after conferring with the Post Office Department as well as with our law officers, and after consideration of the full arguments which Mr. McTague has developed, make a statement first of all of the law and the facts, and then examine these important points which my hon. friend has raised.

Let us go into the merits of the section involved, as well as the question whether the action which has been taken in this regard was within the law as it now stands. Perhaps the most important question of all is whether the set of facts with which the Postmaster General was dealing warranted the drastic action which he took—because the action was certainly drastic, under powers which are drastic. It may well be, and indeed I suspect it may prove to be the case, that the set of facts upon which that action was taken were rather serious, even heinous. I am not suggesting for a moment that the matter should be prejudged. Indeed, as the member for Eglinton pointed out, it is desirable that it should not be. I think the proper method is to meet the arguments which we have in this letter, and indeed the arguments of my hon. friend as well, point by point, both as to the law and as to the facts, when we shall have had a reasonable opportunity of considering them.

COST OF LIVING—PRICE CONTROL

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, the question which I shall raise this afternoon is one which closely affects the lives of a large number of Canadian citizens. I refer to the considerable increase in the cost of living over the last year or two.

I recall that in November, 1947, the Minister of Finance (Mr. Abbott), at a press conference, stated that he expected the index of the cost of living to go up another couple of points, after which it might settle at somewhere between 140 and 145; and that if it remained about there he would consider the situation pretty good. That is as reported in the local press of November 5, 1947.

On March 1, 1949, the cost of living index in this country had risen to 159·2. The last available figure published as at March 1 of this year is 163·7, the highest cost of living index in the history of this country. When we remember that certain farm commodities are being reduced in price, and that the costs of farm production are being maintained or in some instances increased; when we remember that the wage worker, finding his pay envelope increasingly inadequate to meet the needs of his home, is asking for increased wages; that there are thousands of superannuated pensioners from the civil service, from industry and from other institutions, and many thousands of persons living on old age pensions or blind pensions, we can understand how this cost of living affects them all. In addition, of course, there are many thousands whose incomes are fixed in various ways. Investments which they made or annuities which they bought during the years of their productive labour, believing that they would have then sufficient to maintain them in the later years of life, are now shown to be inadequate to meet their current needs. Consequently in our opinion the House of Commons should give some attention to the sharp increases in the cost of living.

I have on my desk a publication issued by the welfare council of greater Toronto, a semi-official organization. The document is entitled "A Guide to Family Spending in Toronto, Canada, 1949". According to the index, the cost of living in Toronto is among the highest in Canada, but it is not the highest; for according to the index figures published by the dominion bureau of statistics the cost of living in the city of Montreal is slightly higher than in the city of Toronto. For an average family, which is usually considered to be a family of five, and taking the Department of Labour's own budget for supplies—I do not mean the financial budget, but the budget of things that a family requires in order to live decently—we find that, taking the index of 1935 to 1939 as 100, at that time the cost of a proper standard of living for such a family would have been $1,542, whereas in November last the cost of the same commodities to such a family would have been $2,445.29. Consequently one can see the extent to which the cost of living has soared over these last years. The Minister of Finance stated in November, 1947, that he felt the cost of living would level out at somewhere between 140 and 145; it now stands at over 163, therefore requiring a still larger income than that computed by the welfare council of greater Toronto as of November of last year.

The Liberal party, the party in power, had a national convention in August, 1948, in this city, at which, among other things, they adopted a program for their party. One of the planks of that program was entitled

"Employment and a high standard of living". It was divided into a number of sections, and section (f) stated:

> That where price increases in any field have proven to be unreasonable, selective price controls should be re-imposed for the protection of the consumer.

That was the statement of policy laid down by the party which today forms the majority party in this country and is the party from which the government has been selected. That was a definite statement of policy as recently as August, 1948. Since that time the cost of living has increased sharply, so much so that when we look at the report that was made to this house by the parliamentary committee on prices which sat for some weeks in the session of 1948 and presented its report to parliament on Friday, June 25, 1948, and realize how little has been done to protect the Canadian public in relation to the cost of living and the standard of living, we can only say that the government not only has neglected to fulfil the pledge it made to the Canadian people in August, 1948, but has not carried out the recommendations that were presented by the committee on June 25, 1948.

Mr. Martin: Which recommendations were not carried out?

Mr. Coldwell: The recommendations of the parliamentary committee.

Mr. Martin: Which ones?

Mr. Coldwell: I will tell you in a moment. First of all, it was suggested that a royal commission on prices should be set up.

Mr. Knowles: And prices have gone sky-high since then.

Mr. Coldwell: The royal commission reported, and prices have skyrocketed ever since. Indeed, the recommendations of that royal commission added little or nothing to the findings of the parliamentary committee that were tabled in this house, as I have said, on June 25, 1948.

Then it was suggested that the combines commissioner should be provided with more money in order that he might have a larger staff to look into the possible cases of price fixing and combinations in restraint of trade. We know, first of all, what happened to that combines commissioner. He resigned in protest because the flour milling report, dealing with a commodity that touches the lives of all our citizens, was suppressed for many months and was not brought to light until I asked about the resignation of the commissioner and for the production of the report. I am not going to thresh old straw by going into that story. I am merely reminding the house that certainly nothing was done.

Indeed when I look at the estimates of the department this year and I note that instead of three assistant commissioners, as we had formerly, we are now to have only two under the Combines Investigation Act, it does not look as though the combines commissioner's office is going to be more efficient and able to undertake more investigations than the commissioner was able to undertake in the past.

Since my hon. friend asked me what recommendations of the parliamentary committee had not been carried out, let me review them. I have already mentioned the first two. The third recommendation was to amend the regulations to permit action on profiteering. No action on profiteering has been taken by the government of Canada so far as I know, and yet we have seen profits of some industrialists and of some organizations increasing year by year ever since this report was placed upon the table.

Mr. Martin: Mr. Speaker—

Mr. Coldwell: I did not interrupt my hon. friend last night. He resented interruptions last night, and I do not propose to allow interruptions this afternoon. He can make his speech when I sit down.

Mr. Martin: I do not blame you.

Mr. Coldwell: Recommendation No. 4 was: Remove the import restrictions on fruits and vegetables. That has been done. Then it was recommended that there should be a special tax on unreasonable profits. When I look at some of the profits that have been made—and I am not going into them because no doubt they will be dealt with by someone else in the current budget debate—I would say that over the last two years, indeed in the last several years, the profits that have been made in this country have been unreasonably high. Let us bear in mind that there is no excess profits tax today, either to bring revenue to the country for our social security measures, or to control the excess or unreasonable profits to which this report refers.

Mr. Sinclair: Nor in Britain either.

Mr. Coldwell: I am living in Canada, and I am talking about Canada. I do not see why that should be injected into the discussion when as a matter of fact the cost of living in the United Kingdom has risen only a few points.

Mr. Sinclair: Thanks to Marshall aid.

Mr. Coldwell: Compared with the great increase in the cost of living in this country over the last year or two.

Mr. Sinclair: Thanks to Marshall aid.

Mr. Coldwell: My hon. friend says, "Thanks to Marshall aid". I am not going to be diverted into a discussion of what happens in the United Kingdom, in Yugoslavia, or anywhere else. I am going to deal with conditions in my own country. If my hon. friend wants to find an alibi by looking elsewhere, of course that is a very convenient way of trying to shelve an awkward question. I do not propose to be diverted in that way.

Mr. Sinclair: We have heard nothing but this in the last ten years.

Mr. Coldwell: Recommendation No. 6 was to legislate for uniform business accounting. I have not seen such legislation. Recommendation No. 7 recommended the disclosure of information about inventory reserves deducted in determining profits. Again I have not found any evidence of that having been done. Recommendation No. 8 suggested in some cases the reimposition of controls and subsidies. Certainly nothing has been done in that regard. As a matter of fact, beneficial controls have been to a very large extent removed during the last year or two. The last one, which affected very gravely the cost of living of the average Canadian citizen, was of course the sharp increase allowed in rents last December. According to the press—and my own contacts confirm this—those who had housing accommodation to rent usually increased the rentals to the limit of the permission given by the government.

There was of course recommended as No. 9 the removal of the special excise taxes. They were removed. Let me also add that there is an eight per cent sales tax on a very long list of Canadian commodities. It is true the people do not know they are paying the eight per cent tax as they know they are paying the three per cent tax in British Columbia, or will know that they are paying the four per cent tax in New Brunswick, or the three per cent tax in Saskatchewan, or the four or five per cent tax in Quebec. But let me remind the house that this parliament imposed an eight per cent sales tax on a long list of commodities which do affect the cost of many of the things that the people of this country have to buy; while the special excise tax has been removed, the sales tax remains and pyramids to twelve or fifteen per cent, or even more, when the consumer pays.

The tenth recommendation was that the government give close consideration to the question of revising the present rent controls with a view to removing the causes of individual cases of hardship. Then the committee went on to say:

> The committee wishes to emphasize its opposition to any wholesale removal of rent controls at this time.

It may be argued that rent controls were not removed, but the ceiling was lifted to such an extent that it amounted to a removal. In some instances rents may have gone higher had they been removed; even of that I am not sure. In any event the committee recommended opposition to any wholesale removal of rent controls at this time. I noticed that when the question was before the Supreme Court of Canada whether the federal government had the right to impose rent control, Mr. Justice Rand said that, in his opinion, the immediate removal of controls would result in a chaotic situation, so far as rents in this country were concerned.

Recommendation No. 11 suggested co-operation with the provinces to protect the consumers. I do not know of any co-operation with any of the provinces with that end in view. Recommendation No. 12 read that in removing embargoes on food exports, the supply situation in our own country should be studied in order that a proper balance might be maintained between producers and consumers. Again I have not noted anything effective being done along that line.

One other recommendation was that the dominion bureau of statistics publish a breakdown of the consumer's dollar and sales, and also the income and net profits of principal industries. I have before me at the moment a report of a survey which was taken on December 3 of last year, indicating that the Canadian welfare council estimated that some people in Canada were paying as high as eighty per cent of their income for rent. I should like to know how the other twenty per cent would meet the increased cost of living, and would give the family a reasonable standard of living, if as high as eighty per cent of the family income goes in rent.

I think every intelligent person will agree with recommendation No. 14, that the only permanent solution to the problem of high prices is increased production. The interesting thing about this however is that in Canada we have seen the costs of commodities rising in the face of vastly improved machinery and increased production. By the use of improved machinery, manpower has become

more efficient, and there has been greater output, both actual and potential, of consumer goods, but at the same time prices have increased. We ask why?

One is prone to ask why more of these recommendations have not been carried out. There were fourteen, but only three have been implemented. The last recommendation is one with which every intelligent person would seemingly agree, but it has proved to be false in its conception. The reason for this should be thoroughly investigated. I take it that this is one reason why we have a Combines Investigation Act with a combines investigation commissioner and assistants in the form of deputy commissioners.

All across the country we hear protests against the high cost of living. Recent increases in the cost of meat, tea, coffee, and so on, are increases which the general public simply cannot understand. I do not seem to be able to find a clipping I had from the *Globe and Mail* of last month, but I can remember what was in it. We were told that the price of livestock had increased one cent a pound on the hoof, while the cost to the retailer had gone up from eight cents a pound for the cheaper cuts to thirteen cents a pound for the better cuts. I am aware that the packer and retailer must charge more than one cent a pound, because there is a difference between the weight of an animal on the hoof and its weight after it is killed and dressed. But the spread seems to be amazingly large.

All across the country people are asking why coffee has gone up to around $1 a pound, and tea has increased in price by four cents a pound within the past few days. There must be an explanation. It may be that there are certain crop failures or certain shortages here and there, but that is scarcely borne out by what you read in the United States periodicals, that some of the large importers in that country actually have an oversupply of coffee, and that the crop last year was better than it had been in the previous year.

Be that as it may, the government promised, through the party which supports it and from which the government was formed, in August, 1948, just before the general election, that effective steps would be taken to meet this crisis in the cost of living. Let me remind the house that that was not a new policy being placed before the Canadian people by the party in power. If you look at the advertising in June, 1945, from which I quoted once before, you will find that at that time the people of Canada were asked to let the Liberal party finish its work. Among the items of work that it wanted to finish was the protection of the living standards of the Canadian people. The work which it did finish was to remove any beneficial controls or subsidies and allow the cost of living to soar far beyond anything that had been expected.

It is difficult to understand just what is happening in this country, although when I look over the earnings, after taxes and depreciation, of some of our industrial and distributing agencies, it becomes easier to understand. As long as these things continue we shall have demands from our agricultural producers for better prices for their commodities, and demands from our workers for higher wages in order to meet the cost of living. Thus a spiral is created and we are faced with still further increases in the cost of living.

Wherever living costs have been allowed to run riot following the war, they have gone up by leaps and bounds. I am sure that anyone who has followed the sharp increases in western Europe when the controls and subsidies were discontinued will have noticed what happens when there is competition among those who have money to buy commodities which are either in control of combines or in short supply.

I wish to move in amendment to the motion, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

> That all the words after the word "that" to the end of the question be struck out and the following substituted therefor:
>
> "this house regrets the failure of the government to implement the promise of the Liberal party, which was given to the people of Canada in August, 1948, to reimpose selective price controls for the protection of the consumer in any field where prices prove to be unreasonable."

It will be noted that I have used the language of the declaration by the Liberal party at its convention in August, 1948. The actual wording of that declaration was:

> That where price increases in any field have proven to be unreasonable, selective price controls should be reimposed for the protection of the consumer.

I submit, Mr. Speaker, that price increases over a wide field have proved to be unreasonable, and that the findings of the special committee set up in 1948 to review price spreads and price increases have been disregarded by the government. I might have moved an amendment to that effect but I thought it would be infinitely better to use the language of the government party itself in the amendment I have moved.

Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, the Minister of Finance (Mr. Abbott) is away today, so perhaps I should comment briefly

on one or two of the points which the leader of the C.C.F. party (Mr. Coldwell) has raised. Hon. members of the house will appreciate that the amendment is a complete surprise to me and therefore I have not had the same amount of time for preparation as the hon. member.

The gist of the early part of his speech was to the effect that the Minister of Finance had expressed the hope in 1947 that the cost of living of that day would pretty well level out and hold at that level. Such a hope of course was the hope of the Canadian people at that time. We were passing through a very difficult transitional period at the end of a war. We have already had some discussion of this matter during the present session in the debate on the transitional powers bill which was passed before the Easter recess.

It was hoped first of all in 1945 that one year would be sufficient for our economy to adjust itself to peace, but for reasons far beyond the economic powers of this country, because of world conditions, we found it necessary to extend the transitional powers each year although each year we whittled away at the powers granted to the government. Therefore when the Minister of Finance expressed that hope in 1947 he was expressing the same sort of hope as was expressed by parliament in 1945 when we passed the transitional powers act for only one year.

On the subject of prophecy, I might remind the hon. member for Rosetown-Biggar that he is somewhat of a prophet in his own right. I use these examples only to show how easy it is for a prophet to mislead his listeners even though he may have the best intentions in the world. I can remember in the spring of 1945, when the hon. member of course was heading into an election, hearing the C.C.F. crying blue ruin and the hon. member prophesying that by April of that year there would be 100,000 unemployed in the country. When April came the Minister of Labour (Mr. Mitchell) stood up and said that we were crying for labour. I can remember his prophecy in the spring of 1945 that the people of Canada would turn away from the government and elect the socialist party as they had in Great Britain, Australia and New Zealand. Hon. members will recall the endless praises he used to heap on the wonderful management given by the socialist governments of those countries. We can remember his prophecy in the spring of last year that the C.C.F. was going to be the official opposition, that it was sweeping the country. The things this government had done to follow out a process of orderly decontrol were the very things which the hon. member and his colleagues used as their propaganda across the country, but if there was one answer given last June it was the answer that the people did not want the type of socialist planning that was offered, that they did approve of the policy of orderly decontrol which this government has carried out since 1945.

I want to turn now to another point which is an old subject to the hon. member and his followers. I refer to the matter of profits increasing. He said that profits of Canadian companies had again increased last year. Mind you, he would much rather stand up in the house, pick up Moody's and say: The profits of Canadian companies have decreased again last year which shows that the government is bad. It shows we are heading into ruin and the depression which the C.C.F. party have hoped for for so long. The fact that profits of Canadian companies have increased is also a factor in this policy of decontrol because our national income has increased each year and so has our gross national production.

Mr. Noseworthy: So has unemployment.

Mr. Sinclair: Then he went on to deal with the question of excess profits. That has been used by his party on every possible occasion, and I should like to refresh his memory of what the people he used to idolize, the British Labour government, have done about excess profits. I cannot use better words than were used in 1945 by Hugh Dalton, then chancellor of the exchequer, and one of the great men of the Labour party school of thinking, because after all he was professor of public finance at the London School of Economics. He removed the excess profits tax from British industry a year before we had even started to do so in this house. I want to read some of the remarks he made.

Mr. Coldwell: There is a profit control in effect in Great Britain now.

Mr. Sinclair: Listen to me; you have had your say. You were objecting to the Minister of National Health and Welfare (Mr. Martin) interjecting into your speech. The words I will quote are not my words. They are the words of a man who was at that time chancellor of the exchequer in a Labour government. Speaking in the budget debate in the British House of Commons on the 23rd of October, 1945—we removed our excess profits tax in 1947—Mr. Dalton had this to say:

> This tax, E. P. T., at the rate of 100 per cent, is the perfect tax for a short war, but as the war period lengthens, and still more as we enter upon the post-war period, it becomes less and less satisfactory in its general character and incidence. The rate of standard profit in relation to which the excess for taxation purposes is calculated is based on a certain year, and as the date of that standard

profit recedes, the tax becomes less and less equitable, as between different businesses, and in particular, falls with increasing and unjust severity, as the years go by, upon businesses with a low standard. Moreover, once the standard profit has been earned, this tax encourages extravagant and wasteful outlay, and even downright dishonesty, since if this expenditure were not incurred it would be the treasury and not the owners of the business who would take the money. Under those conditions this tax works against incentive and against efficiency.

He goes on for another two columns and then he says he is going to reduce the tax from 100 per cent to 80 per cent. Then he comes back to the house the following year, and on April 9, 1946, he announced the total repeal of even the 80 per cent tax. Mr. Dalton refers first of all to his remarks of the previous year. He said:

I said then the "E.P.T., at the rate of 100 per cent, is the perfect tax for a short war"—and I believe that still . . .

Then he goes on with his quotation from his previous year's speech as follows:

". . . but as the war period lengthens and, still more, as we enter upon the post-war period, this tax works against incentive and against efficiency."

He then goes on to say:

Further reflection has not weakened my opinion on this matter. I now propose to repeal E.P.T. as from 31st December next.

The excess profits tax was repealed in Great Britain a year before ours was. For the very reason that the excess profits tax does work against incentive the British did exactly the same thing as we did. Our standard rate for corporation tax was 18 per cent plus the excess profits tax. As you know, the standard tax has now been raised to 38 per cent, 33 per cent federal and 5 per cent provincial in eight of the provinces, and 7 per cent in Ontario and Quebec.

The excess profits tax is a great thing to use out in the country to whip up a country audience to make them believe that if the C.C.F. were in power they would reimpose it. The British government removed that tax a year before we did for the very reason that far from being a source of income it was actually holding back industrial development in that country.

I come now to the matter of stabilization of the cost of living. I am quite sure that most members of the house have had fewer letters about the cost of living in the last year than at any other period since the end of the war. The hon. member referred to the point in the Liberal convention platform of August, 1948, which had to do with trying to hold the cost of living at that level. In August, 1948, the cost of living index in Canada stood at 157·5. Today, as the hon. member pointed out, it is 163·7. This last figure, as the hon. member mentioned, includes the increases resulting from the last measure of rental decontrol. Therefore we have a rise of six points in a year and a half. When we remember the actual increases in the cost of the great bulk of commodities we must import from other nations, which go into the products used by our people and which naturally affect the cost of living; when we remember also that wages and salaries have not stood still since 1948: then I think the people of this country who are reasonably minded will say that is not a bad record.

That is especially so when we compare it with the records of other free countries, not other countries which have been subsidized by that great American generosity known as Marshall aid. In that regard I might remind the hon. member of the words of the deputy prime minister of Great Britain, Mr. Herbert Morrison, who at the trade union convention a year ago said it was because of the very generous Marshall aid that they had been able to hold their cost of living at such a level. That is due also in part, of course, to the great aid that has been given by this country, aid we do not at all regret having given but aid we do not like having flung back in our teeth as evidence of how successful Britain has been in holding down the cost of living.

I do not think we need again go over this question of rents. We have had two full discussions of that subject, one last session when the Minister of Finance (Mr. Abbott) announced further increases under the policy of decontrol, increases which occasioned great debate in this house at that time and which were also debated from one end of the country to the other, and the other this spring when before Easter the minister announced that the federal government was going to ask for control over rents for only thirteen months more. At that time he reminded the house not of what Mr. Justice Rand had said but of what the Supreme Court of Canada said, that in their opinion we had only the right over orderly decontrol from the war emergency, and that otherwise the provinces had the right to control rentals. Two of the provinces have assumed that obligation; and it may well be that if next January there are still localities in this country which need rental control, the provinces will step in and administer such controls in those areas.

Then the hon. member went along to the sales tax, which is second only to the excess profits tax in popularity as a whipping boy as far as he is concerned. Once again I am not going to quote any Liberal or Conservative in public life; I am going to quote the Labour chancellor of the exchequer in Great Britain. I am only repeating what I put on

record a year ago, when hon. members were attacking the federal sales tax. It is true that we have a federal sales tax, but it is also true that this tax has very little effect on the cost of living index, since almost all food items and all building construction items are exempt from the federal sales tax, as well as from other taxes. However, here again is Mr. Hugh Dalton speaking to the British House of Commons, which of course includes Labour and Conservative and a few Liberal members, and also I think preaching the gospel to his socialist followers all over the world. This was at page 2204 of British *Hansard* for 1946:

There is an old-fashioned saying that indirect taxation is worse than direct taxation. I have never believed it; I always thought it a slipshod way of talking and thinking. I used to tell Lord Snowden that I did not believe it.

He goes on to explain the various levels of the sales tax in Great Britain, and it is very heavy. Then he continues:

But in the next few years, and I expect for considerably longer, it will, in my view, be advantageous to retain a tax on purchases, exempting wholly from the tax certain of the more necessary commodities—

Our range of exemptions is much wider than the British range.

—gradually extending the range of untaxed articles—

We have done that in every budget we have brought down, and even the budget brought down just before Easter contains further exemptions.

—and lowering the rate on a number of other articles—

The hard fact is that we need the revenue from sales tax to support our present federal expenditures.

The hon. gentleman was good enough to recall that we had removed special excise taxes in the last budget. The tenor of his speech was to the effect that there was great alarm in the country over this mounting cost of living. Hon. members who are actually in daily contact with their constituents, and hon. members who have just returned from their homes, I think will appreciate as I do that this is one of the things least discussed at the moment by our people. They know that this levelling out process is pretty well over, that we have gotten away from this false freezing of our economy that we had to carry out in time of war by rental controls, by wage controls, by price controls and so on. As we have gotten away from it and have allowed our economy to act freely, we have finally come to this level of about 162 or 163; and during that period our wage levels have risen correspondingly.

So I say to hon. members that the objective of the party in 1945, an orderly decontrol and a departure from those special administrations and boards, price fixings, subsidies and so on, back to the condition where our economy is that of a buyers' and sellers' market, has been fairly well realized, and I say this government has no reason not to be proud of the work it has done in this respect in the last five years.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, I know the hon. member for Coast-Capilano (Mr. Sinclair) wanted to be fair and state the facts correctly, even if it meant losing an argument. So I am going to read him a word or two from this little book, which incidentally is an official handbook of the Labour party in Great Britain. While I do not think the situation in Great Britain at the moment has very much to do with the amendment that has been moved, I do want to put on record the facts with respect to the taxation of profits in Great Britain. I am not going back as far as my hon. friend went; I am going to give facts which are current.

Profits tax: the tax on distributed profits was raised from 5 per cent to 12½ per cent in the 1947 budget.

Mr. Diefenbaker: What are you reading from?

Mr. Knight: I just described it. It is a speakers' handbook of the Labour party for 1948-49, and I presume is an official document.

Mr. Fraser: That would not be an election handbook, would it?

Mr. Knight: Well, I take it that even my hon. friend would use facts in promotion of his own cause during an election campaign.

Mr. Fraser: But some parties do not use them.

Mr. Knight: As far as I am concerned I try to stick to the facts.

Mr. Sinclair: If the hon. member would permit me—

Mr. Knight: I shall not, for the moment. Let me read these half dozen lines and I shall sit down. Then, if Mr. Speaker permits, I have no doubt my hon. friend will have another go at it.

In the autumn budget of 1947, the profits tax was doubled to 25 per cent on distributed profits and to 10 per cent on undistributed profits.

Special levy: In the 1948 budget, a special once-for-all levy was imposed on unearned incomes of over £250 a year when the total income is above £2,000 a year. Announcing the levy Sir Stafford Cripps said:

". . . it is undoubtedly right . . . that those who possess large capital assets should make some contribution to help the country in this emergency. Some of them are now spending those assets in a manner that is distinctly inflationary in its effects."

That was said in the British House of Commons on April 6, 1948. Then there are some quotations from Hugh Dalton, who was mentioned by the hon. member for Coast-Capilano, which I am sure do not bear out the contentions of my hon. friend. I do not intend to read them. In rising I did not expect to do more than put these facts on the record, but before concluding let me say that if the hon. member for Coast-Capilano is so fortunate as to have constituents who do not feel the pinch of the cost of living in these days, I personally am not in that favourable position. During the Easter recess I heard the moans coming from these householders who were having difficulty in making ends meet. I think the cost of living in this country is one of the most serious things with which its citizens are faced at the moment.

Mr. Sinclair: The hon. member questioned the veracity of the authorities I quoted, so perhaps I should have the right to put him straight. I quoted from the official report, British *Hansard,* on excess profits, while the hon. member is quoting from Labour party propaganda. The hon. member is referring to a different thing, the ordinary corporation taxes. When the British had a 5 per cent tax, we had an 18 per cent tax. The British tax is now 25 per cent and our tax is 38 per cent, showing we do tax corporations more than the British.

Mr. Knight: I am not concerned with the tax situation in Britain; I am worried about taxation in Canada. This amendment relates to the situation in Canada, and nowhere else. On that basis, it should be adopted.

Mr. Sinclair: That is a different story.

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

YEAS

Messrs:

Argue
Blair
Byrne
Casselman
Catherwood
Coldwell
Coyle
Diefenbaker
Fraser
Graydon
Harris (Danforth)
Hodgson
Jones
Knight
Knowles
Lennard
MacInnis
McLure
Noseworthy
Pearkes
Thatcher
White (Hastings-Peterborough)
Wright—23.

NAYS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Bater
Beaudoin
Belzile
Benidickson
Bennett
Bertrand
Beyerstein
Blackmore
Blanchette
Boisvert
Bonnier
Boucher
Bourget
Bradette
Bradley
Breithaupt
Brisson
Brown (Essex West)
Bruneau
Cameron
Cannon
Cauchon
Cavers
Chevrier
Claxton
Corry
Cote (St. Johns-Iberville-Napierville)
Cote (Verdun-La Salle)
Croll
Cruickshank
Darroch
Dechene
Dickey
Dion
Douglas
Dube
Dumas
Eyre
Fair
Ferrie
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Fulford
Gagnon
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Sudbury)
Gauthier (Portneuf)
George
Gingras
Gingues
Goode
Gosselin
Hansell
Harris (Grey-Bruce)
Harrison
Hellyer
Helme
Hetland
Hosking
Howe
Huffman
Jeffery
Jutras
Kent
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
Lafontaine
Laing
Langlois (Berthier-Maskinonge)
Langlois (Gaspe)
Lapointe
Larson
Leduc
Lefrancois
Lesage
Little
Low
MacDougall
MacKenzie
MacLean (Cape Breton North and Victoria)
MacNaught
Macnaughton
McCubbin
McCusker
McIvor
McLean (Huron-Perth)
Masse
Matthews
Maybank
Mayhew
Monette
Murray (Oxford)
Mutch
Nadon
Pearson
Pinard
Poulin
Proudfoot
Prudham
Quelch
Ratelle
Richard (St. Maurice-Lafleche)
Richard (Ottawa East)
Riley
Roberge
Robertson
Robinson
Rooney
Ross (Hamilton East)
St. Laurent
Shaw
Simmons
Sinclair
Sinnott
Smith (Queens-Shelburne)
Smith (York North)
Stewart (Yorkton)
Stick
Stuart (Charlotte)
Thomas
Thomson
Tremblay
Ward
Warren
Weaver
Welbourn
Winkler
Winters
Wood—136.

Mr. Mitchell: I was paired, Mr. Speaker, with the hon. member for Waterloo South (Mr. Homuth). Had I voted, I would have voted against the amendment.

Mr. Martin: I was paired, Mr. Speaker, with the hon. member for Cape Breton South (Mr. Gillis). If I had voted, I would have voted against the amendment.

Mr. Cardiff: I was paired, Mr. Speaker. Had I voted, I would have voted against the amendment.

Motion (Mr. Fournier, Hull) agreed to, and the house went into committee, Mr. Dion in the chair.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

48. Departmental administration, $90,620.

Item stands.

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

183. Departmental administration, $321,042.

Item stands.

DEPARTMENT OF RESOURCES AND DEVELOPMENT

358. Departmental administration, $370,640.

Item stands.

Progress reported.

Mr. Fournier (Hull): May we revert to government notices of motions?

DOMINION ELECTIONS ACT

APPOINTMENT OF COMMITTEE TO CONSIDER AND SUGGEST AMENDMENTS

Hon. F. G. Bradley (Secretary of State) moved:

That a special committee consisting of Messrs. Applewhaite, Argue, Balcer, Boisvert, Boucher, Brooks, Browne (St. John's West), Cameron, Cannon, Carroll, Dewar, Diefenbaker, Douglas, Fair, Fournier (Maisonneuve-Rosemont), Fulford, Garland, Green, Hellyer, Herridge, Jeffery, Kent, McWilliam, Power, Valois, Viau, Ward, Welbourn, White (Middlesex East), Wylie, be appointed to study the several amendments to the Dominion Elections Act, 1938, and amendments thereto, suggested by the chief electoral officer, to study the said act, to suggest to the house such amendments as the committee may deem advisable, and report from time to time, with power to send for persons, papers and records and to print the proceedings and that the provision of section 1 of standing order 65 be waived in respect to this committee.

Mr. Graydon: In view of the fact that there are several amendments to be dealt with by the committee, I have no doubt that, before the motion passes, the Secretary of State will want to give a detailed explanation of the amendments with which the committee intends to deal.

Mr. Bradley: Mr. Speaker, I assume, of course, that from time to time in Canada, as in other sovereign countries, it becomes necessary under our system of democracy to make amendments, suited to the changing times, in the method and the details of holding our general and by-elections. There is a necessity at the present time to make a number of technical amendments. I presume these will be suggested by the chief electoral officer when he appears before the committee. He is more fully aware of these matters than I can possibly be, and he will explain in detail to the committee the necessity for these various technical changes.

There are one or two substantial changes which may perhaps be regarded as of a more important character. One is as a result of the recent entry of Newfoundland as the tenth province of Canada. Hon. members will recall that under the act which confirmed the union between Canada and the tenth province special provision was made for the holding of the first election in the province. That particular provision is now spent, and because of peculiar climatic conditions which obtain in the northern portion of the province at any rate, amongst other things, it is necessary that the period elapsing between nomination day and polling day should be 28 days rather than 14. I believe a somewhat similar condition exists in the riding of Saguenay in the province of Quebec.

Then again, on the technical side, hon. members will recall that some difficulty was created at the last election as a result of the numbers being offset from, I think it was, a portion of the ballot paper onto the sheet underneath, which made it possible to identify a voter if an effort were made to do so. I understand that the chief electoral officer proposes to suggest to the committee some changes which would avoid any possibility of such identification being made.

A number of other points will be brought before the committee by the chief electoral officer. At various times he has received letters from organizations and individuals suggesting changes of various sorts in our existing election law. All these documents will be submitted to the committee for its consideration. The chief electoral officer will not purport to suggest amendments to the committee because that is the business of the committee, but he will be there to assist and to point out the difficulties which he has discovered.

The terms of reference are identical with the terms of reference of the last elections committee. It is anticipated that a full examination of the whole situation will be undertaken for the purpose of bringing our election law up to date and in accordance with present needs.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, there are one or two references I should like to make to the setting up of this committee and the powers which it is to have. As the Secretary of State (Mr. Bradley) has said, the powers of the committee are to be wide enough to permit a general review of the Dominion Elections Act. I am surprised that, in outlining what was to

be brought before the committee, he said nothing about the necessity of amending the act so that what recently took place in Annapolis-Kings in connection with the defence vote will not recur in this country.

The report of Mr. Justice Doull and Mr. Justice MacQuarrie, to be found in *Votes and Proceedings* of March 6, reveals a condition of affairs that ought not to be permitted to continue. When one realizes that a person was declared elected to this House of Commons by a majority of four votes and that 134 service personnel voted without any justification in that constituency, then something seriously wrong has been revealed. One begins to wonder in how many other constituencies illegal votes were cast in the general election.

The recommendation is made by one of the commissioners, Mr. Justice Doull, that some changes ought to be made. The report indicates that the commanding officer in one of the polling divisions, at Greenwood air station, had no regard for the administration of the law and indeed showed no sense of regard for the act and the necessity of voters voting where they were entitled to vote.

Having regard to this flagrant abuse of the law, I am rather surprised that parliament has not received an intimation from the Secretary of State as to what is being done to prevent a recurrence of the kind of thing that happened in Annapolis-Kings. No matter how one looks at the matter, 134 voters voted illegally and it was only after proceedings were taken that the votes were found to be illegal.

One thing this committee should do is to recommend that Mr. Justice Doull's report be carried out to the end that in the current by-elections a like condition of affairs shall not be permitted to exist. In this particular instance the commanding officer certainly did not regard the regulations as binding upon him; indeed, according to my reading of the report, he regarded them as though they were made to be broken and that he as commanding officer had the supreme power of determining how the votes should be cast and in what manner the act should be lived up to.

One of the first recommendations that should be carried out is that the vote among service personnel should be taken out of the hands of the commanding officer and placed under the responsibility of the electoral officer. That is the only way in which non-interference with the free right of the defence personnel to vote can be guaranteed and assured. I am going to quote only one portion of the report where Mr. Justice Doull said:

> At Greenwood air station the officer who was in charge of taking the vote was a commissioned officer who appeared to have good clerical ability and to be an intelligent and competent officer, but he seems to have totally failed to appreciate that he was bound to follow the regulations.

Our election law should be administered according to the act and not according to the caprice of a commanding officer of a unit. This matter should be submitted to the committee at the earliest possible date so that the necessary changes may be made in the law to conform with the recommendations of this judge.

There is another matter I should like to refer to, the general question of assuring a democratic election in this country. In the present parliament 105 members out of 262—I am one of them—were elected by a minority vote, and in the last parliament there were 144 minority candidates out of a total of 245. Such a condition does not carry out the democratic spirit of our elections act. If we go back to the promise made in 1932 by the then prime minister we find that it was promised that a system of voting would be brought into being to assure that the democratic will of the majority would be carried into effect.

I know that we would not have much time to do it during the present session, but I should like to see this committee enter upon a lengthy, complete and thorough investigation of the question of having the single transferable vote in this country. I know there are two sides to the question. On the one hand we endeavour to secure a democratic result by a majority vote, and on the other hand the experience, where the single transferable vote has been in effect, has not been as encouraging as many of its proponents would lead us to believe. It is in effect in rural constituencies in the province of Alberta and also in the province of Manitoba. It has been in effect for several general provincial elections. It assures the democratic result that the majority shall prevail provided, as has been the case in Australia, that each voter is required compulsorily to vote his second, third and fourth choices, as the case may be. I know the argument against compulsory voting and requiring an individual to vote his second, third and fourth choices. None the less the system has not worked out as favourably as many have contended because of the fact that there has been no compulsory requirement.

I have looked into the matter to some extent and have also secured considerable information from Mr. John R. MacNicol, a former distinguished member of this house and a student of voting procedure. I find that in five general elections in Alberta a total of 241 rural ridings were contested by plural votes, and where there has been a re-examination of the ballots only in six cases has there been any change in the result. That is not

very many out of 241; nevertheless it shows that in six cases the democratic desire of the majority would not have been achieved except for the introduction of this system.

In the province of Manitoba it has been used in elections in 245 rural ridings, and only in four has there been any change in the result because of re-examination. In four ridings, in any event, there would have been in effect the election of a member who did not democratically represent the majority.

When I look at the division among the membership of the House of Commons I ask myself whether the time has not come for a full examination of our electoral law. At the last election the Liberal party secured 2,926,029 votes, the Progressive Conservative party 1,742,233 votes, the C.C.F. party 782,321 votes, the Social Credit party 224,781 votes, and all others 172,900. The distribution of membership in the house does not represent the attitude of the people of the dominion as a whole. For that reason I suggest that this committee should have experts brought before it on the subject of electoral reform to the end that consideration be given to the adoption of this system or any other system that will effectuate the democratic wish of the majority.

The ordinary system has been tried in Australia and has been departed from in connection with senatorial elections because it has not worked out. There is the weighted system to which no extended reference need be made at this time except to say that the weighted system under the single transferable vote might in effect remove some of the difficulties that have been found to exist in Alberta and Manitoba as a result of experience.

There is one other matter that I think should be considered by this committee, and that is the question of redistribution. It is all very well to say that in the past the majority in power has determined the boundaries of constituencies on redistribution. I can speak with some authority on the subject of what the intention was in connection with redistribution and also what the result was in spite of the intention of some of those who were active in the matter of redistribution. I say that the time has come to consider the adoption of a system of redistribution of constituencies every ten years as the population changes, not in accordance with political considerations or personal bias, but that scientific consideration should be given to redistribution on the basis of population by a commission composed of the chief electoral officer, the surveyor general and one judge or more. No political considerations would be involved in such a commission. I would place them in a position where they would consider the whole matter of redistribution without denying to parliament the final say in connection therewith.

There are many anomalies in our election law today so far as redistribution is concerned. Some hon. members represent few constituents; others represent many. I am referring now to rural constituencies. Since confederation the rule has been that, so far as cities are concerned, they always have more population than rural ridings. I feel now, with redistribution at least two years removed, the time has come to look into the matter of establishing a commission which would be free from political considerations to determine this question, not with a view to the political outcome in the ensuing election but in order to assure that democratic procedure shall be maintained in our country.

There is one other matter to which I should like to direct the attention of the Secretary of State. He is not affected by it in Newfoundland because election results come out first there. I think something should be done to assure that election returns are not made available in eastern Canada while we are still voting in western Canada. I care not what political party or government is in power. There is no reason why something should not be evolved whereby there would be a common hour for the opening of ballot boxes. Anyone from the west has had the experience of returns coming in from Newfoundland, Nova Scotia, New Brunswick, Prince Edward Island, and Ontario also, so far as British Columbia particularly is concerned, while the people of the west are still voting. He knows it has a definite effect on those who are uncertain, and particularly on those who are always desirous of being on the winning side. No harm can be done by giving consideration to this matter, for after all what we are trying to do in the setting up of this committee, as I see it and as the Secretary of State (Mr. Bradley) has said, is to amend the election law in the light of the experience of recent elections, and it is in that spirit I have advanced these suggestions. There is no question of party politics; it is a matter of assuring that the government of this country and every member of this parliament shall in truth represent the majority, and that no extraneous influences shall be permitted to deter or interfere with the expression of the democratic will in this country.

There are other types of electoral practice than the alternative vote, but that is something that has been promised for years. It was in the 1919 Liberal platform, and again in the 1935 platform. It was in the C.C.F. platform, and we have taken the view at all times that

electoral changes should be made from time to time. So I should like that question submitted to the committee, before which might appear those from other countries and from the two provinces of this dominion which have been mentioned, with experience in this sort of electoral procedure, to the end that within the next two years such changes may be made in our present election laws as the committee or parliament may deem necessary, and above all, so that we in this parliament may be assured that the majority shall determine who shall be elected to this house and so that our large minorities shall not be denied representation, or at least the right to determine who in fact shall represent them, as is largely the case under our present, out-of-date electoral laws.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, not being a member of this proposed committee I should like to speak very briefly to the resolution now before the house. I agree with the hon. member who has just taken his seat that every effort should be made to prevent abuses under our electoral law. I believe it is bad, both for this parliament and for the individual member, if any shadow of doubt is cast upon the election of a member to this house. Consequently I hope that in addition to the chief electoral officer having full jurisdiction over the service vote next time, ways and means will be found to prevent anything which might even look like the improper marking of ballots and the questioning of an election on that account, either because of the thinness of the paper, as was said to be the case in Regina, or for any other reason.

I remember a debate on this subject in this house some years ago. I have forgotten the date, and I have not the *Hansard* before me, but at the time the hon. member for Quebec South (Mr. Power) was talking to a bill he had introduced and which, if my memory serves me correctly, was given second reading. An hon. gentleman opposite shakes his head, so I may be wrong; but if it were not given second reading at least it was a most interesting bill, which I think it might be well for the committee to study. The hon. member for Quebec South has had long experience in elections in the province of Quebec, and the committee might well take a look at the speech he made introducing that legislation. It was an excellent speech and aroused a great deal of interest. I might add it also caused a great deal of amusement in this house, though the matters with which he dealt were serious indeed.

One of the points with which the hon. member dealt at that time was the expenditure of money by candidates during elections.

I have a copy of the parliamentary return tabled in this house at the request of the hon. member for Winnipeg North Centre (Mr. Knowles), and I note that in some constituencies very large sums of money were expended. In one constituency the expenditure amounted to over $33,000. Some years ago that constituency was represented by a very distinguished member of this house, who on one occasion confessed to a parliamentary committee that he had spent much more than $33,000 in order to win that seat. Privately he stated afterward that he believed his opponent had spent more than twice that amount in order to bring about his defeat.

I think we might look at other democratic countries to see what is being done there in order to prevent undue expenditure of money during elections. In the recent general election in Great Britain there was a limitation on expenditure for the first time, and apparently it worked out well for all parties. The vote was the largest in the history of Great Britain, and from all accounts, whether they come from the government or the opposition, the election was conducted in an eminently fair manner.

The preparation for an election of course is very important. Enumerators should be competent for the job. Speaking for rural constituencies, about which I know something, I believe the remuneration paid the enumerators there, who have to travel long distances, makes the position unattractive so that sometimes it is very difficult to get competent people to do the work. In one rural constituency in Saskatchewan of which I know something—not my own—an enumerator could not be found for one of the polling subdivisions. Finally someone was obtained, and he went to the municipal office and got a list of names from a former municipal voting list. That list was out of date; people had died or moved away, while on the other hand some people who should have been on the list were left off. I think it is the desire of every hon. member of this house, no matter where he sits or to what party he belongs, that every person entitled to vote should have the opportunity of doing so. It is true that the lists are posted later, but we must bear in mind that many people rely upon the enumerator and the deputy returning officer to see that their names are on the list, and do not bother to look it up.

So I think the committee might well consider making the remuneration of enumerators sufficiently attractive that competent persons will assume that responsibility. In the urban centres there are two enumerators, one appointed by the elected member and the

other by the person who came second in the poll. I believe that system might be considered for the rural areas as well. In that way we probably would get a much fairer and much better enumeration than we get at the present time. The cost would be a little more, but it would not be prohibitive. It would make everyone feel that an attempt was being made to have an enumeration that included everyone and that was perfectly fair.

The member for Lake Centre (Mr. Diefenbaker) spoke of redistribution. I agree with him. Indeed I think some of our people suggested that it should be undertaken by a non-partisan commission when the matter was before the parliamentary committee, but in any event if they did not suggest it they were warmly in support of it. I believe that the setting of the boundaries of a constituency should not be a matter of political manipulation. It should be done by an impartial body composed of the chief electoral officer, who is competent to deal with electoral matters of all descriptions, a judge who would exercise impartiality, and a geographer. I think my hon. friend suggested the surveyor general, but in any event it should be a competent surveyer in order that the topography of the country to be divided might be properly considered. One would not then find, as one does in some constituencies, no means of crossing a river in order to vote, or a range of hills coming in between, and people having to travel fifteen, twenty or thirty miles to a polling station and not the five or six miles that it appears to be on the map. Three competent individuals should be chosen to do this important work.

I think the constituency should be based upon population. This was fairly well done. As a matter of fact, whatever criticism there may be of the drawing of the boundaries of the constituencies in Saskatchewan, this time our constituencies do comprise about 40,000 people, and the number of members roughly represents the population of our province. When you come to the province of Ontario, what do you find? You find constituencies here with less than 20,000 people in them. I think Glengarry has about 15,000, if I remember correctly.

Mr. Chevrier: It has 18,000, in fact over 18,000.

Mr. Coldwell: It is less than 20,000. In other cases one finds constituencies running as high as 80,000 or more. Even among rural constituencies there is a big difference in the number of voters. I am not urging that the constituencies should all contain the same number of people, because I think some consideration must be given to the area to be covered. Consequently where you have large, thinly-populated areas, the number of people included in those constituencies would have to be numerically less than in the highly congested areas of the cities or well-settled portions of the country. What I am saying is that when you have a constituency like the one I have named, where the population is not widely scattered in the sense we think of a widely scattered population on the prairies, at least there should be some equalization of the voters in the various constituencies.

I believe, too, that a further opportunity should be given to those people who find it difficult to get to the polls by six o'clock. I know when my friend the then member for Vancouver North was here some years ago, Mr. Grant MacNeil, he used to make a plea for these people, because in some places the men have to come home by ferry boat and cannot get to the polling station in time to cast their vote. The same condition prevails in certain industrial areas where the men on different shifts find it difficult to get away by five or six o'clock. It is quite true that they may ask for and receive a certain number of hours in which to vote, but a good many people, particularly those in key jobs such as operating essential machines, do not care to ask for time because there may be no one else to run that machine during their absence, and it means that production is delayed. I believe the committee might therefore give some consideration to extending the hours for voting to eight o'clock. This does not seem to be an unreasonable hour. I am firmly of the opinion that just as, during the last revision of the act, we extended the right to vote to people living away from their constituency, we should consider now the people who find it difficult to get to the poll by six o'clock. The hours should be extended so that every Canadian citizen would have an opportunity to cast his vote. After all, we want the largest number of people possible to vote.

Then of course, trespassing on the resolution proposed by the member for Assiniboia (Mr. Argue), I would strongly urge the committee to consider the enfranchisement of young men and women of eighteen years of age. I believe that today the educational standards of our people have been raised to such an extent that many of our eighteen year old people are better qualified, and indeed better informed regarding public affairs, than their forefathers were at that age. Indeed they are better qualified at least educationally than some of the older people who are alive today. We expect these young people to join the army, the navy or the air force in the event of war, and to bear arms for

our country in its defence. If we expect them to bear arms in defence of our country, I think they should have a voice in determining the people who conduct the affairs of the country. I believe therefore that another matter which should be given attention by the committee is the enfranchisement of young men and women of eighteen years of age.

Those are the principal points that I had in mind, to which I would make reference if I were a member of the committee. I hope the committee will study these questions and other matters quite thoroughly, and that out of the inquiry into the act revisions will come which will be in the interests of Canadian democracy; that through those revisions we may find perhaps a better reflection of public opinion in our House of Commons than we have found in the past, and that we shall develop people who have a greater interest in public affairs than we sometimes think is prevalent in our country today.

Mr. E. G. Hansell (Macleod): Mr. Speaker, in common with the member for Rosetown-Biggar (Mr. Coldwell) I am not a member of this committee, but the two members who represent this group on that committee are at the moment attending another committee meeting, so I have been asked to say a few words on their behalf. What I wish to say reflects my personal opinions, but I do not think those opinions will stray very far from those generally held by the members who sit in this corner of the house.

One might ask, why is it desirable to have electoral reform? I think the answer could be, so that the people will have the democratic right to say whom they want to represent them, and what results they want in the management of their affairs. This definition perhaps goes a little further than mere electoral reform. But there must be some reason for desiring electoral reform. The fact is that civilization progresses from one decade to another, and naturally we do not carry on in the same fashion as we perhaps traditionally did one hundred years ago or so. What we desire to retain in our democracy is all that is good from tradition, with the addition of new discoveries which we believe will make democracy more effective.

I would strongly suggest, Mr. Speaker, that this committee, when it is set up and pursues its work, should give some serious consideration to amendments which will effect, in our electoral system, the single transferable vote. I am greatly in favour of that for the particular reason that, under our present voting system, we all know it is possible for a government, with its party, to be elected with a tremendous majority and yet to be elected, with that majority, by a minority vote of the people. That is a serious matter in our present electoral system. What we really have is a huge party majority that the majority of the people have not said they wanted. That is in reality what happens. That should not be so. By giving the voter a second, third, or fourth choice, whatever the case may be, he has then a right to say that if his first-choice candidate is not elected, he desires a second-choice or a third-choice candidate to be elected. I do not propose that he should be compelled to vote second or third choices. That could be left to him. Nevertheless, he has occasion to exercise that privilege if he so desires. The over-all and net result will be that a government sits in office with the backing of the people of Canada; and I think that is most essential.

There is another thing that I am going to suggest, and I have suggested it before in this house. I do so entirely on my own responsibility, as it is my own personal view. I believe that there should be a definite and set time for elections to be held. I do not believe that it should be within the power of the government in office to be able to say when this country should have an election. It simply means that the government in office have the power and the right to go to the country in an election at a time which is politically most expedient for them. I prefer the United States system when it comes to the matter of the duration of a parliament and a set date for an election, every four years or every five years, whichever we might determine by way of legislation.

I know that our parliamentary set-up is somewhat different from that of the United States. I know the argument will be put forth that a government should have the privilege of resigning at any time, and that it should particularly have the privilege of resigning when it fails to get a confidence vote of the members of parliament. My answer to that argument would be that there is in Canada need for parliamentary reform as well as for electoral reform. Personally, over the few years of my experience in this house, I have not been able to say that the will of the people is always reflected by votes that are taken in this house. It is one thing for a candidate to go out in an election campaign, to say to the people that he stands for this and this and this, to go over the number of points that he stands for, and to say that if they will elect him he will advocate and vote for those things in parliament. It is all very well for him to say that when he is out stumping on the political platform; but when he arrives here he finds that the picture is somewhat

changed. Very often, instead of voting so as to reflect the will of his people, he votes according to the will of his party.

Mr. Thomson: So do you.

Mr. Hansell: My hon. friend said so do I. If I do, then that is all the more reason for parliamentary reform. But I do not believe that I do. Whether I would or not if our party were in office might be another thing. I will tell you at that time whether I will or not; but at the present time let me answer my hon. friend by saying this. At the present time each and every man in this group here in this house can vote whatever way he chooses to vote and there are no strings tied to him. We in this corner of the house have often voted differently, one from the other.

I say there is now need for parliamentary reform in order that the will of the people may be reflected at all times without imposing upon the government in office the danger of a vote of want of confidence. I do not believe that all votes should necessarily register want of confidence in the government. That is what happens today, but I do not believe it should happen. I believe that in this parliament we should have a free vote of parliament and that the government in office, taking their instructions from parliament, should set about their duty to bring down legislation or to administer the affairs of the country in accordance with the will of the people. I believe that would be a reflection of an effective democracy. But that is not what happens today. We know that. What happens today is that the government brings down legislation. They may say that they have discussed it in their caucuses and that they have a majority in the house. In reply I would say that I do not believe in government by caucuses either. That is my personal view. But they bring down legislation. I think I can say that very often they bring down legislation that is never discussed even in their caucuses. They present it to us and they say: "There you are, boys, that is it."

Mr. Deputy Speaker: Order. I do not think the hon. member is discussing the principle of the resolution.

Mr. Hansell: Mr. Speaker, I must agree with you. I did get off the track, because what I was trying to do was to emphasize the definition which I gave at the commencement of my remarks in respect to the will of the people being at all times reflected, and the government governing themselves accordingly. That is why I brought the thing within the confines of this chamber. I believe there should be some Senate reform, but I will not mention that either, Mr. Speaker, because it is perhaps beyond the purview of the work of this suggested committee.

Perhaps I have said enough to reflect my own views on this matter. I will conclude by saying that as a democracy we must move along in the democratic process toward the reform of our electoral and parliamentary system so that the direct will of the people will be reflected and governments activated thereby at all times.

Mr. J. A. Ross (Souris): Mr. Speaker, since I shall not be a member of this committee I desire to make one or two remarks. Like the hon. member for Lake Centre (Mr. Diefenbaker) I was surprised that the Secretary of State (Mr. Bradley) did not make some reference to the matter of Annapolis-Kings and the result there under the Dominion Controverted Elections Act. I want to endorse what the member for Lake Centre said about that and to a quote a little further from the report, which is to be found on page 83 of *Votes and Proceedings*. Section 6 reads:

> The evidence indicates a disorganized polling booth where a considerable number of persons were walking around. The officer seems to have considered that he had no duty in regard to anything except signing the certificates.

According to reports I have heard this section could apply to many training centres across Canada. Section 7 reads:

> Under order of headquarters, the commissioned officer made no inquiry of voters. He interpreted his instructions to mean that if a declaration was presented to him and signed, he would certify it and give a ballot to the person presenting it, even if he knew that that person was not entitled to vote.

That is a pretty glaring statement, Mr. Speaker. I can tell you that many personnel in large training centres in western Canada were amazed at the type of campaign carried on, and at matters pertaining to taking the vote in these centres. I hope that this matter will be gone into by this committee, and that the election act will be so amended that we will be sure that there will not be a repetition of this sort of thing in the future, because it has been very bad business.

The point I do want to make is this. It may be a bit of a fetish with me. It has been referred to by other speakers today. Ever since coming to this parliament I have been concerned about the matter of the transferable vote. It has been pretty well covered today. I want to add that in this present House of Commons we have at least 121 members who have been elected by a minority of the votes cast in their respective constituencies. I know it was surprising to many people to find that, according to the chief electoral officer's figures, the majority of those citizens in Canada who cast their votes on June 27 last year did not vote for this government.

An hon. Member: Oh, oh.

Mr. Ross (Souris): My hon. friend can laugh and chuckle as he likes, but it does not affect me one iota. If he is able enough to rise in his place and contradict that statement then he may laugh to his heart's desire, but I am making the statement that, according to the figures released by the chief electoral officer, the majority of the electors casting their votes on June 27 did not vote for this government. That does not reflect anything on the government. It is due to our election act. I am neither admitting nor disputing the fact that they have probably 75 members in this House of Commons who were elected with a minority vote cast on that day. I am not predicting what might happen at another election. The same thing could happen, or it might be reversed. The point I want to make is this. In a democracy I think that before a person is declared elected he should, on the transfer of votes, have received a majority of the votes cast in the riding. I have put the figures on record in the speech from the throne debate. They may be found at pages 110 and 111 of *Hansard*. I do not want to repeat them at this time. The figures with respect to the last general election in this country can be checked.

As I say, not being a member of the committee I would sincerely hope that they will give serious consideration to the matter of the transferable vote and of providing for it under the Dominion Elections Act, 1938. I can say that I know something of the manner in which it has worked in Manitoba. I cannot tell you how many years it has been in force there, but it has been in force in quite a number of general provincial elections in that province, and I believe also in Alberta.

I simply repeat, Mr. Speaker, I am sincere in asking that the committee give the most serious consideration to amending the Dominion Elections Act and making provision for the transferable vote at any future elections.

Mr. G. R. Pearkes (Nanaimo): Not being a member of this committee, I should like to endorse the remarks made by the hon. member for Lake Centre. I have a few suggestions to offer, and perhaps you will call it six o'clock, Mr. Speaker.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS—SENATE BILLS

Mr. H. W. Winkler (Lisgar) moved that the following bills be read the second time:

Bill No. 18, for the relief of Doris Joan Guest Rigg.—Mr. Winkler.

Bill No. 19, for the relief of Cora Elizabeth Jamieson Southam.—Mr. Winkler.

Bill No. 20, for the relief of Audrey Brenda Holmes Burnett.—Mr. Winkler.

Bill No. 21, for the relief of Barbara Edna Brownrigg Johnson.—Mr. Winkler.

Bill No. 22, for the relief of Aili Katriina Salokannel Martel.—Mr. Winkler.

Bill No. 23, for the relief of Velma Elizabeth Buchanan Lowson.—Mr. Winkler.

Bill No. 24, for the relief of Gladys Harriet Hassall Thom.—Mr. Winkler.

Bill No. 25, for the relief of Elisabeth Mavis Cann Jousse.—Mr. Winkler.

Bill No. 26, for the relief of Eric Lacate.—Mr. Winkler.

Bill No. 27, for the relief of Dorothy Margaret May Harris McCormick.—Mr. Winkler.

Bill No. 28, for the relief of Sigrid Denston Day.—Mr. Winkler.

Bill No. 29, for the relief of Beatrice Campbell McClay.—Mr. Winkler.

Bill No. 30, for the relief of Catherine C. Goodrow Rogers.—Mr. Winkler.

Bill No. 31, for the relief of Miriam Roberta Weir Caryer.—Mr. Winkler.

Bill No. 32, for the relief of Marjorie Frances Murphy Cozzolino.—Mr. Winkler.

Bill No. 33, for the relief of Mary Thomson Cadieux.—Mr. Winkler.

Bill No. 34, for the relief of Veronica Pearl Faulkner MacKenzie.—Mr. Winkler.

Bill No. 35, for the relief of Elizabeth Hampshier Atyon Reilley.—Mr. Winkler.

Bill No. 36, for the relief of Sybil Elliott Karr Boulanger.—Mr. Winkler.

Bill No. 37, for the relief of Mary Kennedy Dunn Anderson.—Mr. Winkler.

Bill No. 38, for the relief of Albert Ernest Curtis.—Mr. Winkler.

Bill No. 39, for the relief of Annie Swales Barber.—Mr. Winkler.

Bill No. 40, for the relief of Rebecca Catherine Pitts Duquette.—Mr. Winkler.

Bill No. 41, for the relief of Edith Mary Stone Ryan.—Mr. Winkler.

Bill No. 42, for the relief of Pearl Greenspan Abramovitz.—Mr. Winkler.

Bill No. 43, for the relief of Harry Rudner.—Mr. Winkler.

Bill No. 44, for the relief of Dorothea Joan Lawrence Gamble.—Mr. Winkler.

Bill No. 45, for the relief of Walter St. Andre Bawn.—Mr. Winkler.

Bill No. 46, for the relief of Alison Hamilton Brown Weldon.—Mr. Winkler.

Bill No. 47, for the relief of Hazel May Wilkie MacLeod.—Mr. Winkler.

Bill No. 48, for the relief of William Gordon Cascadden.—Mr. Winkler.

Bill No. 49, for the relief of Romeo Lefebvre.—Mr. Winkler.

Bill No. 50, for the relief of Kathleen Veronica Thompson Davidson.—Mr. Winkler.

Bill No. 51, for the relief of Joseph Arthur Winsorlow Brisebois.—Mr. Winkler.

Bill No. 52, for the relief of Margaret May Tuck Reicker.—Mr. Winkler.

Bill No. 53, for the relief of Mabel Kearley Budgell.—Mr. Winkler.

Bill No. 57, for the relief of Zina Sarah Fletcher Tannenbaum.—Mr. Winkler.

Bill No. 58, for the relief of Fred Marcus.—Mr. Winkler.

Bill No. 59, for the relief of Belva Rubin Bercusson.—Mr. Winkler.

Bill No. 60, for the relief of Reginald E. Martin.—Mr. Winkler.

Bill No. 61, for the relief of Dora Moore Holland Towers.—Mr. Winkler.

Bill No. 62, for the relief of Betty Benditsky Kursner Kokernick.—Mr. Winkler.

Bill No. 63, for the relief of Elizabeth Goodman Goldberg.—Mr. Winkler.

Bill No. 64, for the relief of Helene Eugenie Hortense Holmes Said.—Mr. Winkler.

Bill No. 65, for the relief of Amanda Doris Drachler Segalowitz, otherwise known as Amanda Doris Drachler Selton.—Mr. Winkler.

Bill No. 66, for the relief of Florence Druckman Oliver.—Mr. Winkler.

Bill No. 67, for the relief of Albert Gedeon Martin.—Mr. Winkler.

Bill No. 68, for the relief of Brandel Avrutick Cutler.—Mr. Winkler.

Bill No. 69, for the relief of Freda Geraldine Rodgers.—Mr. Winkler.

Bill No. 70, for the relief of Hattie May Dawson Wood—Mr. Winkler.

Bill No. 71, for the relief of Marie Yvonne Bouchard O'Rourke.—Mr. Winkler.

Bill No. 72, for the relief of Ethel Margaret Murphy Watson.—Mr. Winkler.

Bill No. 73, for the relief of Clifford Willis Collins.—Mr. Winkler.

Bill No. 74, for the relief of Alfred Beatty Harris.—Mr. Winkler.

Bill No. 75, for the relief of Claire Jeanne D'Arc Sagala De Montignac.—Mr. Winkler.

Bill No. 76, for the relief of Nora Maria De Montignac Des Jardins.—Mr. Winkler.

Bill No. 77, for the relief of Rita Annie Wylie Morrow.—Mr. Winkler.

Bill No. 78, for the relief of Olga Veleky Stepanovitch.—Mr. Winkler.

Bill No. 79, for the relief of Beatrice Norma Sabbath Finestone.—Mr. Winkler.

Bill No. 80, for the relief of Adele Kuznetz Paquette.—Mr. Winkler.

Bill No. 91, for the relief of Jessie Ferguson Deans McKenzie.—Mr. Winkler.

Bill No. 92, for the relief of Daisy Muriel Smallcombe Devaney.—Mr. Winkler.

Private Bills—Divorce

Bill No. 93, for the relief of Stella Burns Herdman Elder.—Mr. Winkler.

Bill No. 94, for the relief of Ethel May Alice Turnbull Colligan.—Mr. Winkler.

Bill No. 95, for the relief of Effie Irene Collier Newman.—Mr. Winkler.

Bill No. 96, for the relief of Phyllis Anne England McNab.—Mr. Winkler.

Bill No. 97, for the relief of Martha Jean Brooks Markell.—Mr. Winkler.

Bill No. 98, for the relief of Kathleen Zawitkoska Symianick.—Mr. Winkler.

Bill No. 99, for the relief of Jeannine Martineau Masse.—Mr. Winkler.

Bill No. 100, for the relief of Betty Borman Archambault.—Mr. Winkler.

Bill No. 101, for the relief of Edwin Dawson.—Mr. Winkler.

Bill No. 102, for the relief of Mavis Barker Billingham.—Mr. Winkler.

Bill No. 103, for the relief of Roland Gour.—Mr. Winkler.

Bill No. 104, for the relief of Margaret Elizabeth Taylor Clarke.—Mr. Winkler.

Bill No. 105, for the relief of Sylvia Singer Mepham.—Mr. Winkler.

Bill No. 106, for the relief of Mabel Kathleen Baxter Simons.—Mr. Winkler.

Bill No. 107, for the relief of Vittoria Minotti Mastracchio.—Mr. Winkler.

Bill No. 108, for the relief of Dent Harrison.—Mr. Winkler.

Bill No. 109, for the relief of Margaret Mahajahla Aitken Schoch.—Mr. Winkler.

Bill No. 110, for the relief of Esther Spector Gelfand.—Mr. Winkler.

Bill No. 111, for the relief of Sophie Roth Pliss.—Mr. Winkler.

Bill No. 112, for the relief of Gertrude Howard McWilliams Rubin.—Mr. Winkler.

Bill No. 113, for the relief of Remenia Bertha Duguay Briggs.—Mr. Winkler.

Bill No. 114, for the relief of Blanche Naomi Greenlees.—Mr. Winkler.

Bill No. 115, for the relief of Leslie William McNally.—Mr. Winkler.

Bill No. 116, for the relief of Jacqueline Marie Scully Sirois.—Mr. Winkler.

Bill No. 117, for the relief of Phyllis Christina McLeod Daly.—Mr. Winkler.

Bill No. 118, for the relief of Winnie Florence Clitheroe DuVal.—Mr. Winkler.

Bill No. 119, for the relief of Muriel Elizabeth McCurry Welham.—Mr. Winkler.

Bill No. 120, for the relief of Betty Margaret Slinn Metivier.—Mr. Winkler.

Bill No. 121, for the relief of Fanny Abramowitch Mergler.—Mr. Winkler.

Bill No. 122, for the relief of John Wood.—Mr. Winkler.

Bill No. 123, for the relief of Olivia Mary Tipping Morris.—Mr. Winkler.

Private Bills—Divorce

Bill No. 124, for the relief of Mable Veronica Askin Williamson.—Mr. Winkler.

Bill No. 125, for the relief of Christine Rachel MacLeod Nicholson.—Mr. Winkler.

Bill No. 126, for the relief of Anne Halperin Perelmutter.—Mr. Winkler.

Bill No. 127, for the relief of Phyllis Rochlin Rabinovitch.—Mr. Winkler.

Bill No. 128, for the relief of Mary Kaybridge Goulbourn.—Mr. Winkler.

Bill No. 129, for the relief of Muriel Alice Mary Westgate.—Mr. Winkler.

Bill No. 130, for the relief of John Elliot Cumming.—Mr. Winkler.

(Translation):

Mr. Paul E. Gagnon (Chicoutimi): Mr. Speaker, in the January 21, 1950, issue of the *Saturday Evening Post,* Mr. David G. Wittels who had made a survey of the situation in the United States, describes divorce as "our biggest national scandal" and later told in a series of articles "the sordid story of America's broken homes".

Considering the present sad trends, the same thing will soon apply to Canada.

The philosophy of those who would make divorce easier no doubt finds justification in their minds because of their particular beliefs. May I tell them that I fail to grasp their point of view and that their arguments, based on false principles, can in no way change the attitude I have at all times defended in this house regarding this matter of national importance.

The principle of the indissolubility of marriage must be upheld with the utmost vigour and any attempt at compromise must be rejected. Adultery having been recognized as grounds for divorce, it is logical that it should be resorted to by those seeking divorce. That is the unfortunate situation with which we are faced in this country today.

In requesting the house to reject these bills, I am invoking, not only religious, but also social grounds.

I appeal to all those who love their country, who wish it to be great and strong, whatever their political or sectarian affiliations might be.

In the words of Paul Gide, a sincere Protestant: "Divorce is only a form of polygamy by instalments." Man does not mate, he marries, and when he marries, it is unto death.

Marriage is not an ordinary contract, strictly natural or civil in character. The church intervenes to give it a much more august character. Husband and wife are united in the name of the Creator of mankind and their union is consecrated forevermore.

All moralists agree on the principle that the idea of perpetuity linked to duty makes the latter easier to accomplish. When you let a man realize that he may cast off his obligations, you weaken his sense of duty.

Monsignor Freppel stated in the French chamber of deputies on June 13, 1882:

> Such is, gentlemen, the undeniable danger of divorce. With the possibility of breaking the bonds of matrimony, you introduce in the home a germ of dissolution, and what would be sufficient to develop this germ of dissolution? Any of the thousand and one annoyances which always arise when two people live together would be enough. When marriage is considered indissoluble, such annoyances may disappear sooner or later at the thought of a perpetual bond; hurt pride bows to reason and the idea of sacrifice finally triumphs over selfishness.

On the contrary, with the prospect of a complete and final breaking off everything is magnified, everything gets worse; the least disagreement takes on considerable importance. And the fatal word of divorce which civil law itself drops into the ear of this worker or that farmer, who would never have thought of it without this trap set against his frailty by the legislator himself, that word received apprehensively at first but which gradually sinks in, that word with which one gets familiar becomes the signal for a permanent dissolution of family life!

We must revert to the fundamental laws of marriage.

As Monsignor Julien put it during a lecture delivered at the Semaines sociales of France, in Grenoble, in 1923:

> The question is whether the laws of the spirit will prevail over the laws of the flesh in the struggle for duty.
>
> The question is whether the soul will remain faithful to duty to the extent of accepting its responsibilities, which are sometimes very heavy, and of running risks, which are at times very distressing. No prerogative, either legal or political, no reward, either in the form of money or of honours, will ever replace that which can only assure the fecundity of our families, namely, the respect for God-established order and the joy that springs from self-denial. It is the family spirit, if we may say so, that overcomes difficulties, the fears of the present and the uncertainties of the future, and that enables one to live up to the divine laws of life according to the dictates of one's conscience.
>
> The family spirit, however, is properly the religious spirit. Religion is the best safeguard for this superior instinct which draws the sap of life to all the limbs of the human tree.

One may not sever with impunity the roots by which human institutions extend into the realm of divinity.

Mr. P. Cuche, professor at the Faculty of Law of Grenoble, states, with Monsignor Julien:

It is an acknowledged fact today that the mandatory effect of contracts does not lie in the will of the contracting parties. The fact that I wanted something yesterday does not imply that I still want it today. Even if I change my mind, I am still bound by my undertaking of yesterday. My agreement of yesterday thus prevails over my wish today, so that even though I change my mind I am still bound by this agreement.

Public interest requires that it be so. It is essential that the undertakings agreed to in marriage, a sacred contract, be permanent.

Man is not born to indulge in pleasure; he is born to do his duty, to live, to toil by the sweat of his brow, to fight weather and the elements in order to earn his living, to practise religion and charity, and so on.

Divorce breeds free love. We must therefore choose between indissoluble marriage and free love.

If we allow exceptions, they will soon become the rule.

Our legislation should respect and safeguard the family, the basis of society.

As long as by civil legislation the stability of our homes is left to the good will or whims, the egotism or passion of either of the parties concerned, the family as an institution will remain precarious because the two main objects of marriage, procreation and education of children and mutual assistance of the spouses, will be jeopardized.

The unity of the family and the indissolubility of marriage are characteristic of progressive civilizations; divorce means decline and retrogression.

It is the responsibility of the civil authority to legislate on the civil and temporal effects of marriage, but it has not the power to bind and even less to untie the bonds of matrimony.

The function of the state is to look after the general welfare of the community and the legislators have the duty to vigorously oppose every application for divorce. As I said at the outset, we are not qualified to hear those cases; if we persist in doing so, we usurp a right which belongs only to God.

(Text):

Motion agreed to and bills read the second time.

Mr. Speaker: These bills are referred to the standing committee on miscellaneous private bills.

Private Bills

LIMITHOLDERS' MUTUAL INSURANCE COMPANY

Mr. Jean Lesage (Montmagny-L'Islet) moved the second reading of Bill No. 55, respecting the Limitholders' Mutual Insurance Company.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

UKRAINIAN NATIONAL FEDERATION OF CANADA

Mr. Ralph Maybank (Winnipeg South Centre) moved the second reading of Bill No. 85, to incorporate Ukrainian National Federation of Canada.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

CRIMINAL CODE

AMENDMENT TO PROVIDE FOR ABOLITION OF CAPITAL PUNISHMENT

Mr. W. Ross Thatcher (Moose Jaw) moved the second reading of Bill No. 2, to amend the Criminal Code (capital punishment).

He said: The purpose of this bill is to abolish capital punishment in Canada and to substitute therefor life imprisonment. May I state initially that I speak as a private member and not necessarily on behalf of my party. I hope that this contentious matter may remain out of the realm of party politics.

Some hon. members may question the wisdom or desirability of such a bill at the present time. I suppose such an attitude is natural, because after two world wars in which millions of people were slain, where whole populations were wiped out, and in which we witnessed such incidents as Hiroshima and Nagasaki, some may feel that it is not very important whether a few worthless human beings, who have themselves taken human life, live or die. I feel, however, that this Canadian law is so revolting that parliament should examine it before another session goes by. At least twice before similar legislation has been before parliament. In 1914 and again in 1917 Mr. Robert Bickerdike, the member for Montreal-St. Lawrence, introduced such a bill. Unfortunately he did not get very far with it.

Then in 1937 a Mr. Blair introduced a bill which would have substituted for hanging a more humane method of execution. That proposal also was not accepted. Thus in 1950 we still have hanging on the statute books of Canada. Surely the time has come for reform. Few members can study this issue without realizing that there are very grave

objections to the death penalty. I do not think I am sentimental about this subject. Certainly I am going to try to base my arguments on other than sentimental reasons. I believe that any criminal should be punished and punished adequately, but I also believe that there are sound and logical reasons why Canada should do away with the death penalty.

I have seven main reasons for objecting to hanging. My first reason is based upon purely moral and Christian grounds. Most Canadians profess to believe in the Christian faith. That faith is based at least partly upon the ten commandments. Most hon. members will recall the words of the sixth commandment, and those words are specific, concise and crystal clear. They are, "Thou shalt not kill". There are no ifs, there are no buts, there are no qualifications. I submit that if that commandment means anything at all, it means exactly what it says: "Thou shalt not kill."

But in Canada we have moved an amendment to that commandment and we have said in effect "the state may kill, but the individual must not take a life".

Mr. Sinclair: An eye for an eye.

Mr. Thatcher: I say that if it is wrong for an individual to kill, it is equally wrong for the state to take a human life. I do not profess to be a biblical authority like my hon. friend the parliamentary assistant to the Minister of Finance (Mr. Sinclair). I am not going to quote citations from the Bible tonight to back up my argument, but I say that hanging violates every Christian principle. If we expect the individual to refrain from murder, the state must set an example. Perhaps I do not see this matter in the proper light, but as I do see it, no Christian can advocate capital punishment and be true to his faith, and no community which professes to be Christian can deliberately murder even the most erring of its members.

My second objection to hanging is the terrible brutality of the actual execution. In 1937 some shocking evidence was placed before a select committee of this House of Commons. Some hon. members may not have read the evidence. Many experts claim that hanging is almost instantaneous, that death comes instantly. According to the evidence presented to that select committee that is not correct. At page 57 of the evidence Mr. S. Wills, acting deputy sheriff of the city of Toronto, testified that in eleven hangings from 1917 to 1937 which he had attended the average time of death after the trap was sprung was 14·7 minutes. At page 55 he was asked by Mr. Howden about a specific case, and I quote:

Q. Was death fairly rapid in that instance?
A. There has not been one rapid one that I have seen yet.

According to the Toronto deputy sheriff mishaps are quite common at executions. At page 53 he stated:

I have always had at the back of my mind the possibility of decapitation every time there is a hanging. There is always the fear of that.

Such a fear apparently is well justified because there are numerous instances of mishaps having taken place in Canadian executions. One of them was mentioned in this evidence, the case of a woman in Montreal who had her head literally pulled off in the execution. The following is in the evidence:

Q. Did the woman's friends see her after her head was pulled off?
A. That I could not say.

Other accidents have taken place in Canadian executions. On page 54 of the evidence Mr. Hamilton questioned the Toronto deputy sheriff as follows:

Q. Have there been any bunglings by the executioner in the eleven cases you have mentioned?
A. Well, I have one case in mind where a man was allowed to have too long a drop, and on going down to the lower cell, I found that the man was practically on his knees when he got down at the end of the rope . . . the hangman had gotten down before me, and I found him hanging onto the man so as to ensure his speedy death.
Q. You mean to say that he was pushing down on the man?
A. Yes, sir, hanging on to the man with his weight to bring him on to the rope until he was dead.

I suggest that hon. members should read this evidence, because there are numerous cases just as shocking as those I have mentioned. I say hanging is inhuman. It is un-Christian. It is a foul practice which has no place in a civilized country like Canada.

In the third place I am opposed to capital punishment because of its relentless finality. Once the punishment has been inflicted there is no possible rectification in case of error. It is human to err; judges and juries can and do make mistakes. No matter how careful juries may be, no matter how damning the evidence may appear, it is possible to hang an innocent man; and history recounts numerous instances where that has been done. Before the British house a few years ago Sir Fitzroy Kelly declared that from the turn of the century to 1930 he had found seventeen cases in Britain of accused men having been sentenced to death and subsequently found to be innocent. I say that such a danger is always present; and until human judgment is

infallible I doubt if we have the right to inflict irrevocable doom upon any of our fellow citizens.

Capital punishment brutalizes and degrades every person associated with it, the guards who lead the victim to the gallows, the executioner who must spring the trap door. I have heard some interesting stories about some of these executioners, and I am sure some of them must be true. Some executioners commit suicide because of their job. I know that one executioner in one of our large cities not so long ago was a consistent drunkard. At one time an execution was to take place in that city. The deputy sheriff is responsible; and as the date of the execution approached the authorities could not find the hangman. The sheriff was ready to resign rather than be responsible for springing the trap door. Finally they found the hangman; but not before the prison official had been thoroughly frightened. I say capital punishment is hard upon the minister or priest who has to administer the last rites of the church, upon the doctor who has to be present, upon the reporters who have to write about it. The family of the man hanged have a terrible stigma cast upon them. One of the men hanged in Edmonton last month had five children; one of the men hanged in Vancouver had four. Even the people who read about hangings are affected by the inevitable horror; and I do not think it is an exaggeration to say that every execution is followed by a general lowering of the moral standards of a community. Hanging does not in any way enhance the majesty of Canadian law. I do not see how we can inculcate a respect for human life by ourselves showing contempt for human life.

My fifth reason for opposing the death penalty, and I think it is an important reason, is the fact that it is so repugnant to many decent citizens that the jurymen in capital cases have been known to bring in verdicts contrary to the evidence, in favour of a prisoner. Acquittals sometimes can be blamed only upon the humanitarian feelings of the jurymen and their reluctance to send a man to certain death. Many juries are reluctant to find a woman guilty of murder. Such verdicts, even if they occur but rarely, could be dangerous to a community, because of the fact that as a result dangerous criminals may be set free.

In the sixth place I oppose capital punishment because quite frequently Canadians are hanged who do not directly commit murder. Under Canadian law accessories to a murder are just as guilty as the man who committed the fatal act. In certain circumstances, for instance if a murder is committed during a robbery, all those who participated in the robbery may be executed; and that has frequently happened in Canadian legal history. Some hon. members may remember the Bank of Hochelaga case in Montreal some years ago. If my memory serves me correctly in that case five men held up a bank and during the hold-up one of the robbers killed a bank employee. All five were subsequently executed for murder.

Mr. Cruickshank: And rightly so.

Mr. Thatcher: Some hon. members may say rightly so. Theoretically the principals are equally guilty in the eyes of the law, but morally I do not think they are equally guilty, because only one man committed the actual murder and the others did not kill.

Mr. Lesage: How many were ready to do it in the case you cited?

Mr. Thatcher: My hon. friend may be facetious if he wishes, but in my opinion six lives for one, or four for one, or two for one is not Canadian justice, it is vengeance, stark and brutal.

Mr. Lesage: What about one life for twenty-three?

Mr. Thatcher: My hon. friend has a point; that was a bad case. Yet some Canadians who have been killed in these mass executions have been young. Some have been veterans. We must remember that for five long years we taught a great many of our young men how to kill. We showed them the most gruesome, the most fiendish, the most scientific methods of murder. Can we be surprised if some do not forget those teachings overnight? I repeat that this law is one of which we may not be too proud.

Finally, I oppose the death penalty because as a punishment it is purely and simply revenge. No attempt is made to reform the criminal, nor is any attempt made to remove the conditions which led that man to become a murderer. I think—and I say this respectfully—that if we Canadians spent more time in eliminating those conditions which cause murders, and less time in brutal punishment after murders are committed, we might have a lower murder rate.

I have said that there are grave objections to the death penalty. Are there, then, logical reasons for Canada to continue it? What are the arguments for its retention? There are several arguments, some minor and one at least major. The first minor argument in favour of capital punishment goes something like this. Hanging removes the possibility of a repetition of the crime of murder by the same offender. Of course

it does. But I also suggest that life imprisonment would do the same thing, and without compounding the crime of murder.

Some will say that life imprisonment is a burdensome expense upon the state, that there is no reason why the taxpayers should maintain a prisoner. That is not a very strong reason. In the first place, of course, most prisoners, after having been imprisoned for some time, should have acquired a trade by which to maintain themselves. If that is not the case in Canada then perhaps our penitentiaries should be examined to find out why that is not so. Moreover, I do not think most Canadians would be so selfish as to want to take the life of a man, simply to save the taxpayers a few cents a day on a per capita basis.

Such reasons are not good enough. In my opinion the sole justification for the retention of the death penalty in Canada, if there is any justification at all, is the argument that hanging discourages and deters potential murderers. Many who believe in hanging frankly confess that it is a horrible and revolting practice, but they say it is necessary in order to protect society. Capital punishment, they argue, is a necessary deterrent without which there would be more murders. Well, if such a claim were justified I would admit that it would be a pretty strong argument; but history gives little support to the theory that hanging is a deterrent to crime.

The experience of the English people is noteworthy, and I should like to draw that experience to the attention of the house. It may surprise some hon. members to learn that until a century or so ago English common law was perhaps as harsh as any law in the civilized world, and capital punishment was carried out in the British isles on a colossal scale.

In 1780 there were 240 capital crimes in Great Britain. In those days you could be hanged for picking pockets, for fishing on the estate of a lord or for hunting on his grounds. There were thousands of trivial crimes punishable by hanging. During the reign of Henry VIII 72,000 Englishmen were hanged, and most of them for trivial offences. The gruesome corpses were left hanging along country roads to serve as grim warnings to potential evildoers.

Despite this terrible severity, crime in England steadily increased. Hanging did not seem to deter it. All of these barbarous punishments in the past were justified by the excuse that hanging was necessary in order to deter further crime, the same excuse which is given today for retaining hanging for murder. Gradually down through the years men became a little kindlier, and a little more imaginative. The crimes punishable by death were gradually reduced in number. But they were not reduced without a great deal of opposition in the House of Lords and the House of Commons.

In 1810, for instance, Sir Samuel Romilly moved a bill in the English House of Commons to abolish capital punishment for theft to the value of five shillings and upwards. At that time the solicitor general stated:

> All the judges of the land are convinced that the proposed reform is fraught with consequences the most injurious . . .

That was a statement by the solicitor general, a cabinet minister. Lord Ellenborough, the famous chief justice, stated:

> Repeal this law, and no man can trust himself for an hour out of doors . . . lest his property will be swept off by the hardened robber.

In those days many wise and learned men were aghast at the proposed reform. They said that no one's property would be safe if hanging were abolished for that trivial crime. Today we know their fears were groundless, and the prophecies concerning the increase of crime were completely falsified by subsequent history.

Let us not forget, Mr. Speaker, that only a few centuries ago there was hardly a responsible person in Europe who did not think that the safety of the state depended upon its right to hang others who practised their religion in the wrong way. Not many centuries ago if you happened to live in France or Spain, you might have been hanged for being a Protestant. If you happened to live in England or Holland, you might have been hanged for being a Catholic. Despite that fact we know that religion flourished in most of the countries in Enurope.

I stated a moment ago that England has used capital punishment more extensively than any other country in the world. It is interesting to note what the English have done about capital punishment during the last fifteen years. Three times the House of Commons has passed a bill abolishing the death penalty, and three times the House of Lords, a non-elected body, has vetoed the bill.

If we abolish hanging in Canada, it is fair to ask whether it would be dangerous to our citizens generally. I say it would not be dangerous if we can go by the experience of other nations. In the world today there are more than thirty nations and states who have had experience with the abolition of capital punishment. In Europe such nations as Holland, Belgium, Sweden, Denmark, Norway, Portugal, Switzerland and others have dispensed with the death penalty. In North and

South America it has been abolished by such countries as the Argentine, Brazil, Colombia, Ecuador, Peru, and Uruguay.

Back in 1930 the British House of Commons set up a select committee to inquire into the question of capital punishment. This committee wrote to the foreign countries who had abolished capital punishment requesting them to send in evidence. The committee asked: "Tell us what your experience was before you abolished the death penalty, and what your experience was afterwards; did the murder rate go up?" They also invited those countries to send qualified experts, whose passage to England would be paid, to testify before the committee. The evidence which was given to that British committee in 1930 was so enlightening that I should like to put some of it on *Hansard* for the benefit of members, so that they might ponder it.

In Belgium there have been no executions since 1863. The Belgian attitude to the death penalty was summed up in a memorandum sent to the committee by the minister of justice. I quote from that memorandum:

> Since the death penalty was definitely abandoned the crime ratio has remained practically stationary . . .
>
> In the face of results so conclusive . . ., it seems inconceivable that a minister of justice should ever again think it possible to re-establish a penalty the uselessness of which has been amply demonstrated.

In Denmark the last execution took place in 1892. The Danish minister of justice stated to the committee:

> It may be considered proved that the abolition of this punishment has not had any adverse influence on the number of capital crimes.

Mr. Erik Kampmann, representing the Danish government, told the select committee:

> The number of murders decreased since the virtual abolition of the death penalty.

In Holland capital punishment was abolished by law in 1870. Today its homicide rate is the lowest on the continent of Europe.

Representing his government, Sir Simon Van Der Aa was a witness before this committee on capital punishment. He stated that following abolition—

> —criminal statistics continued to show no tendency of increase of crimes for which, in lieu of the death penalty, lifelong imprisonment may be imposed.

In Norway there have been no executions since 1875—that is, there had not been until the war. According to official statistics, the annual murder rate per 100,000 has been as follows: 1859-1868, ·17; 1869-1870, ·14; 1879-1888, ·12; 1889-1898, ·12; 1899-1904, ·08; 1905-1924, ·05. It has dropped consistently. In a memorandum to the select committee, the Norwegian government stated:

> The experience gained has strengthened the view that abolition of capital punishment has not caused any increase in the number of murders.

Sweden abolished the death penalty in 1921, although the last execution was in 1910. In a report to the committee, the chief of Swedish penitentiaries said:

> The final abolition of the penalty far from leading to an increase in offences of this kind was actually followed by a noticeable decrease in crimes legally punished by death.

Mr. Speaker, one could go on to show that every country which gave evidence before the British committee testified that the murder rate, if not remaining stationary, had actually gone down. In no single instance is there evidence of the murder rate having increased after the abolition of the death penalty.

Several states in the union to the south of us have also abolished the death penalty. The murder rate is high in many of the states, but it is a matter of statistics that the murder rate in those states which have abolished capital punishment is lower than in those in which there is some form of execution. There may be a reason for that; I do not know. But I say that the experience of the foreign countries, and the experience of some of the American states, proves that the murder rate does not necessarily go up when the death penalty is removed.

There is one final reason, Mr. Speaker, why I do not believe execution is a deterrent to crime. Most murders take place in moments of great passion. They are caused by rage, fear, jealousy, drink, insanity or something of that nature. At the moment the murder is committed, the murderer is usually so blinded by his passion of the moment and his unreasoning fury that no thought of future punishment ever enters his mind until later. I say that over these influences no deterrent can have very great effect. No matter how hon. members wish to approach this problem, I suggest it is almost impossible to prove that the death penalty is a deterrent to murder. I challenge any member of parliament to name one person who can be proven to have been deterred from murder because of his fear of the consequences to himself. This being the case, it seems to me that the only possible justification for keeping the death penalty is based upon fallacious reasoning.

Is there a satisfactory alternative to the death penalty? I think there is. I believe that life imprisonment would be a satisfactory alternative. I believe such a punishment should be exactly what its name implies, imprisonment for life. It would punish effectively. It is a deterrent; it removes the criminal from society, and allows for the reformation of the individual. In addition to that, it recognizes the sanctity of human life. I say again, Mr. Speaker, that real security for human life is to be found in reverence

for it. If the law regarded it as inviolable, then people would also begin to regard it in that light. Perhaps I am biased on this subject, but I cannot believe that there is one single admissible argument in favour of the retention of the death penalty. I say that a humanitarian age places the burden of proof upon those who would retain the death penalty, not on those who would abolish it. As a society, we have always believed that life should be protected and preserved; and I suggest that we put that practice into our penal code.

Not so long ago a hundred crimes were punishable by death, then fifty, then twenty and finally one. I suggest tonight that we make the record clean. I suggest that we in this parliament prove that we are civilized enough, and morally developed enough to let this vileness disappear from our Criminal Code for all time. Surely the world is tragic enough. These ghastly human sacrifices every so often in the Dominion of Canada are no credit to our nation. I feel for the Solicitor General who, I understand, is the man who from time to time must decide whether an appeal can be granted or whether it cannot. It is a task that I would not want, and I do not envy him his responsibility. Perhaps this bill will not pass this session, perhaps it will not pass at the next; but, Mr. Speaker, sooner or later it will pass because this is a bill which modern civilization will demand. If this bill does not pass this session, I shall re-introduce it next session and if necessary I shall re-introduce it at the one thereafter. I commend this bill to the serious consideration of all hon. members. If they study it, I think they will find some merit in it.

Mr. A. C. Stewart (Yorkton): The proposed bill, Mr. Speaker, seeks to amend section 263 of the Criminal Code, punishment for the crime of murder by providing, instead of the sentence of death, imprisonment for life; and under section 299, for the crime of rape, by making the same provision. It does not seek to remove the death penalty under section 74 for treason, under which section there are eleven subheadings as to what constitutes treason. It does not remove the death penalty under section 137 relating to piracy.

Under section 250, homicide is defined as the killing of a human being by another, directly or indirectly, by any means whatsoever; and it may be either culpable or not culpable as defined in section 252 of the Canadian Criminal Code; and other definitions are contained in sections 253 to 257 inclusive. The proposed amendment also seeks to remove the death penalty for rape. I do not think this house will be much concerned with that, as the statistics I have procured from the department show that from 1928 to 1948 inclusive there were 463 convictions for rape in Canada, and nobody was hanged as a result of those convictions.

Under section 261 of the Criminal Code culpable homicide may be reduced to manslaughter if death comes in the heat of passion caused by sudden provocation. The previous speaker mentioned that a great many of the crimes resulting in murder were the result of the heat of passion. Such is not the case. If they were, Mr. Speaker, as you are well aware, the sentence can be commuted and it invariably has been commuted in Canada. As a matter of fact, the figures show that the crime of murder in Canada has decreased in the last ten years as compared with the preceding ten years, and that the major crimes of murder in Canada are associated with robbery with violence where the crime was absolutely thought out and prepared ahead of time; they were not done in the heat of passion. The last case that we had on the records in our courts down in Quebec was a case of premeditated murder where the innocent passengers of a plane were all sent to their death by a man who thought the thing out carefully and procured the bomb.

This matter has been dealt with in this house on many occasions. It was brought before the house by a former member. My hon. friend who has just spoken says he is going to bring the matter before the house next session, the session after that and the session after that. I presume he will be through the session after that, so we shall have it brought before the house three times. But there was a member of this house who brought the matter up many times prior to the year 1921. He brought it up session after session. In 1919 Mr. Mowat, the then member for Parkdale, moved to amend the section of the code by providing for electrocution instead of hanging. That is covered in *Hansard* at page 148, volume I, of the 1919 session. At page 488 of the same volume of *Hansard* the then member for Renfrew South, Mr. Pedlow, moved an amendment as follows:

> The death penalty is abolished and all crimes heretofore punishable by death shall be punishable by an incarceration not to exceed the remainder of the life of the accused.

In that debate it is interesting to note that Mr. A. Thompson, the then member for Yukon Territory, adjoining the United States territory of Alaska, said:

> In his country, perhaps, but it does not in the Yukon Territory. We have hanged every man that ever committed a murder; we hanged him quick and it has had a very deterrent effect upon other would-be murderers . . . in Alaska life is held cheap by the criminal class as compared with the way it is regarded by the same class in the Yukon Territory.

That is the way the two territories, one governed by the United States and one governed by ourselves, operated the death penalty on a different basis. The matter never came to a vote in that session. In 1923 Mr. William Irvine, the then member for Calgary East, formerly Social Credit and later C.C.F., moved a bill to amend the Criminal Code by repealing all provisions thereof demanding capital punishment and the substitution of life imprisonment for the death sentence. He quoted from the book by the warden of Sing Sing, Warden Lawes, at page 1270, that out of 85 men who committed homicide in American states where capital punishment was in effect only one was actually executed, and in the cases where the future consequences entered into the calculations of the convict when he committed the crime, he resolved himself as almost certain to be one of the 84 who would escape death. Apparently it has not been a deterrent in those states where it has been abolished.

I contend that the punishment is inflicted as an end to maintain public peace, good order and morality, and out of respect to the laws and regulations which are the cornerstone of our social relations. We are the lawmakers here in this house and have a responsibility to the public, regardless of our personal abhorrence of hanging. None of us like the matter of hanging. The intervention of the lawmaker—and we are that—is not only legitimate but also absolutely necessary, and he has the right also to punish. He punishes to prevent the repetition of misdemeanors like those which have been committed, such as murder; and the lawmaker's acts are accordingly beneficial to the country at large, and that is our special social mission. Murder cannot be recognized with leniency and maudlin sentiment if every right-thinking man and woman wishes that the temple of society shall remain standing and desires that civic and constitutional liberties now enjoyed shall continue.

Up until 1924, when that debate took place, Mr. De Quiros in his book "Modern Theories of Criminality" referred to a table giving the ratio of homicides of all degrees, for every million inhabitants. My hon. friend who has spoken mentioned Belgium and some of the other countries. You will find that in Mexico, for instance, there were one thousand murders per million of population, and there is no hanging there. In Chile the number of murders was 340 per million of population; in the Argentine, 230 per million; in the United States of America, 120 per million, and so on; while in Canada the number is only 2·6 per million of population.

It will be noted that Canada was the lowest despite the fact that about that time about one-half of our ratio of homicides were committed by people of foreign countries who had come to Canada.

We have the lowest figure of homicides in the world. It is to be noted that life imprisonment does not mean always what its words imply. The crown always has the right to revise a sentence and has done so, reducing it on some occasions to 10 years and in one case as low as 2 years. I would point out too the safeguards that a man accused of murder has, namely: one, the right to obtain counsel, and if he has not the money to do so the crown will appoint and pay counsel for him; two, counsel has the right to challenge 24 jurymen peremptorily, and 12 jurymen being selected, 36 people can be chosen from by counsel for the accused. If he calls no evidence he has the right to address the jury after the crown counsel. Even after a finding of guilty and a sentence of death, he has the right to apply to the governor in council for remission of the sentence of hanging to that of imprisonment. The whole evidence is reviewed by the Minister of Justice and the assistants in his department, who check not only the evidence given in the court below but all exhibits and any recommendations made by the jury or the trial judge. The accused in addition in the trial always has the benefit of the judge's charge to the jury, that if they have a reasonable doubt of the guilt of the accused it is their sworn duty to give the benefit of that doubt to the accused. In the cases of those under 18 years of age, even despite sentence of hanging being imposed, no sentences have been carried out.

It is interesting to note the number of commutations in Canada after a sentence of hanging for murder has been imposed. I have all the figures here. They show that the sentences of more people for hanging were commuted than actual hangings that have taken place. As I pointed out, in the last ten years hangings for murder in Canada have decreased considerably over the previous ten years. I submit with respect that we in this legislature should rely not only on our own judgment in these things but on the judgment of other lawyers and preservers of the peace who have given consideration to this matter in previous debates in the house.

In speaking in the debate, the late respected Ernest Lapointe, minister of justice, at page 1285 of *Hansard*, volume 2, 1924, quoted the Right Hon. Arthur Henderson, home secretary of Great Britain, when dealing with a deputation from societies seeking the abolition of the death penalty in England, as follows:

He pointed out, however, that any government must take public opinion into account, and that so

far as his long parliamentary experience went there was little evidence of any general public desire for abolition, the subject not having been debated for many years. He also pointed out that before a government could recommend an alteration in that law they would have to consider very carefully what satisfactory alternative punishment they could properly suggest.

Mr. Lapointe gave his opinion as follows:

I am in the same position in this country, and I must share the views of Mr. Henderson. As far as my own personal feelings are concerned, by temperament and by instinct I would be inclined to vote for the bill, but from a high sense of duty I feel that I cannot do so, and that for the present we must retain capital punishment. If I were convinced that any other form of punishment would be as effective for the protection of the Canadian people, it would be my duty to recommend its adoption. It is because I do not believe that capital punishment can be replaced by any other form of punishment which would be as effective that I am forced to take this stand.

That was the opinion of a very eminent Canadian. In addition, there is the opinion of the Right Hon. Arthur Meighen in the same debate, who expressed similar views. He also stated that, in his opinion, hanging did act as a definite deterrent on the commission of the crime of murder. The argument can be used, and has been used by the hon. member who preceded me, that in one, two or three cases the actual hanging was not done in a very workmanlike manner. But these are exceptional cases. He will find that is true if he checks over the debates that have taken place in this house, because they went thoroughly into that matter.

In the same debate at page 1297 of *Hansard* the Right Hon. W. L. Mackenzie King, former prime minister, said:

If I believed that the bill which the hon. member for East Calgary (Mr. Irvine) has introduced would make for the preservation of innocent human life, would make in the end for a greater saving of human life, as is his object in proposing to substitute a sentence for life instead of the death penalty, I would vote with him. But I believe to the contrary; I believe that the deterrent effect of the death penalty, having regard to human society as it is constituted and to human character as we know it, is in the end to protect innocent people from the murderous assaults that may be made upon them by some of the individuals who compose our human society.

I believe that the death penalty does have a deterrent effect, and I feel that more strongly because of the knowledge I have of the number of capital cases that have come before the cabinet in the short time in which this government has been in office, where we have had before us the circumstances of every individual case of murder that has taken place. These cases have revealed clearly the fact that the men who have been found guilty of murder have premeditated the crime for the most part from motives of lust or avarice. Were they and others like them to suffer only life imprisonment for their crimes, knowing the psychological effect exercised upon other minds and natures when such crimes are committed, I believe that the number of murders would vastly increase once the death penalty were abolished.

[Mr. Stewart (Yorkton).]

In addition, the argument has been used that if we dispense with the death penalty people will do as they have done in the southern states, namely, invoke the unwritten law and start to lynch. I have not very much fear of Canadians following that course. However, that is an argument that has been used against the abolition of the death penalty.

Some hon. Members: Nine o'clock.

Mr. Stewart (Yorkton): I would say further that if you pass the amendment you will in effect be saying: No matter how dastardly the crime, no matter how long he may have premeditated it, he could offend against society with impunity, knowing he would not have to face the death penalty of hanging. In cases which have been occurring with frequency, such as men entering homes, store premises and banks, with gun in hand, killing old age pensioners for their cheques, young bank tellers, aged storekeepers, surely these men who deliberately and premeditatedly kill have placed themselves beyond the pale of human sympathy, and we should be concerned, not with sympathy for them, but with sympathy for the thousands of men, women and children throughout the land whose lives are in our keeping. Human life is getting too cheap in Canada at the hands of armed thugs, and the thing for us to do is to maintain the supreme punishment.

It is idle to ask: Where are your statistics as to whether hanging deters murderers? It seems to me that any lawyer who is handling cases and is not, through long practice, entirely prejudiced in favour of the accused, knows that hanging is a deterrent. Every soldier who served overseas knows that a certain law of death for desertion was a deterrent. Every individual Canadian citizen knows that the ignominious death by hanging is a deterrent and that people who through passion, drunkenness or otherwise are inclined to carry on on many occasions are deterred in their own minds by threat of the sentence of hanging by the neck. If they knew that all they could suffer was a term of imprisonment which might be shortened by the assistance of friends and those people who will always sign a petition, is it not logical to assume that some of them at least would commit the crime if this deterrent were removed?

Mr. Knowles: Nine o'clock.

Mr. Stewart (Yorkton): I am just about through. You are inviting them to do so and you will be responsible for the death of more innocent people. Yours will be the responsibility and I for one do not intend to assume it. We owe protection to the public and a sentence of hanging is the protection to

innocent men, women and children. It should be noted that when a vote was taken in 1924 on a similar bill it was defeated 92 to 29. Another bill was introduced later on and was again defeated in the house. There are other lengthy quotations I could give from the late R. B. Bennett, who was also against the abolition of capital punishment.

Some of us have defended men charged with murder and have been rather successful in saving a lot of rope, according to the mounted police. Some of us are able to say that none of our clients was ever hanged, although perhaps the public have thought that they should have been. In England the House of Lords refused to abolish capital punishment and we in Canada should be most careful before we remove this protection for innocent men, women and children from some thugs on the street who are ready to commit premeditated murder with a gun. I am against the bill.

Mr. Speaker: It being nine o'clock the house will resume the business which was under discussion at six o'clock.

DOMINION ELECTIONS ACT

APPOINTMENT OF COMMITTEE TO CONSIDER AND SUGGEST AMENDMENTS

The house resumed consideration of the motion of Mr. Bradley for the appointment of a special committee to consider and suggest amendments to the Dominion Elections Act.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, when we rose for the dinner recess I had expressed a desire to add a few words to the remarks of the hon. member for Lake Centre (Mr. Diefenbaker) and the hon. member for Souris (Mr. Ross) who had stressed the desirability of revising the rules governing the recording of the votes of servicemen. During the last election servicemen across Canada were permitted to record their choice of candidates in the various constituencies, whether they were serving in one of His Majesty's Canadian ships or in one of the various stations of the army or air force.

According to the reports which have been received since the general election, and particularly in view of the evidence produced at an inquiry held into the election of a member in Nova Scotia, it is quite evident that there was much misunderstanding by those charged with the responsibility of recording votes and by those who wanted to cast votes for particular candidates. The report of the commissioners to be found on page 80 of *Votes and Proceedings* contains these words:

> The officers in charge seem to have had little conception of the importance of their duties and the necessity of strictly carrying out the regulations. Matters were not improved by a "signal" from air force headquarters which the officer interpreted to mean that he was to make no inquiry as to the qualification of voters and that once an envelope was presented to him with a signature, he was to give the holder a ballot even if he knew that the person was not entitled to vote.

I do not think it is unreasonable to expect that there would be considerable anxiety or indifference or disagreement in connection with the methods by which the servicemen were to cast their votes. It is not customary in the services to discuss politics or the various doctrines advanced by political parties or the methods by which candidates are elected. I think the officers of the services have complete justification for pleading ignorance of the details of carrying out an election. Therefore if the responsibility for the recording of votes can be removed from the commanding officers to officials of the chief electoral officer, so much the better.

I should like to call attention to one phrase in the paragraph I have quoted where reference is made to the envelope being presented with a signature. That caused a great deal of uncertainty in the minds of service voters. When a man entered a polling booth established in the company office or the training centre or the ship, he was presented with an envelope upon which was written the name of the voter. The man recorded his vote for the candidate in his particular constituency, placed his ballot in the envelope which was sealed in his presence, and the envelope was then dispatched to some central headquarters where it was opened before a returning officer and such scrutineers as might be appointed.

Personally I believe that everything was aboveboard, but in the mind of the serviceman there was always the doubt as to whether the manner in which he had recorded his vote might not have been noticed and recorded because of his having signed his name on the envelope. I do not think he blamed his own officer but he had the idea that somewhere along the chain an opportunity would be afforded to some unknown individual to open the envelope and see how he had voted. I am quite prepared to admit that those doubts were quite unjustified, but they still remained in the mind of the ordinary serviceman. He felt that he was not being given the privilege of a secret ballot, that an opportunity was being afforded to someone in the Department of National Defence or elsewhere in the government service to open that envelope and see how he had recorded his vote.

An opportunity is now being given to revise the system of recording the servicemen's votes. I hope that this committee will review

the system so that the serviceman may feel that he has the same privilege as any other Canadian citizen of recording his vote secretly so that nobody, either directly or indirectly connected with him, may be able to ascertain how he has cast his vote. This is one of the main things the committee should inquire into when reviewing amendments to the elections act.

There is another point I should like to raise, and that is regarding fishermen. The fishermen are given the opportunity of recording their votes at advanced polls, but I understand that these polls were not established in all constituencies where there were a number of fishermen. The result was that a fisherman going to sea on his lawful business and expecting to be away on election day could not record his vote in his own constituency; he had to go to a neighbouring constituency.

I take this opportunity of bringing these two points to the attention of the committee in the hope that they will review them and see whether amendments cannot be introduced to relieve the uncertainty in the mind of the serviceman and to give the fisherman the opportunity of recording his vote in his own constituency when it is necessary for him to be at sea to carry on his fishing operations according to the season of the year.

Mr. Gordon Graydon (Peel): Mr. Speaker, I should like to make certain observations with reference to the conduct of elections in general, and I think perhaps this is an appropriate time to do so. First of all I think it is advisable that our general election machinery and procedure for taking the expressed will of the people should be subject to such a review from time to time as this motion envisages. I thought the subject was debated on a rather broad basis this afternoon, and I should like to mention one thing which was said by the hon. member for Macleod (Mr. Hansell). I only do so because his judgment and views are highly respected in the house, and I would not mention my disagreement with him if it were not for the high respect in which his views are held. I do not like his suggestion of Americanizing our way of holding elections.

I realize there may be advantages in the suggestion he has made of regular general elections, but I think such advantages are overruled, overbalanced and outweighed by the numerous advantages of the British system. It may be, as he says, that the dice are somewhat loaded in favour of a government, but after all we who have been in the opposition for a long time have perhaps become accustomed to certain things that are almost inherent in our system with respect to oppositions and governments. Even if the dice are a little loaded in favour of a government nevertheless I think a government ought to be given a certain amount of elasticity and non-rigidity in choosing the time when a general election is to be held, but of course within the statutory limits that are presently provided. Whenever a government feels that it should consult the people it does so at its own risk because if the people think they have been consulted too soon or too late they always have the democratic right of dealing with the government on that point in addition to others.

I should not like to see this country come to the position where an election would have to be held on a definite date fixed for every four or five years and everybody aware of that date for years ahead. I should like to see the present system continued. I have great difficulty, Mr. Speaker, in competing with those who are talking over there.

Mr. Deputy Speaker: Order.

Mr. Graydon: I should not like to see the committee deal with this matter in the manner suggested by the hon. member for Macleod. I believe there are advantages in our present system of leaving it in the hands of a government to decide when to go to the country, within certain statutory limitations. I believe if we departed from that system we would lose something so far as our democratic British principles are concerned, and I think we would feel the loss greatly. Even if some of us have been in opposition for a long time we are still prepared to allow the government to exercise that function because it is a part of our British system, and that must always be preserved.

There is another point I should like to mention. Although there may be instances here and there in the public life of Canada, and in some cases they may have been rather glaring, I think most members of the house who have been here for any length of time will agree with me that, taking a broad view of the whole political picture in Canada, Canadians conduct their elections in a pretty clean manner, and I doubt if any other part of the world does so any more cleanly than we do. We all have our weaknesses, but in my time in any event, so far as elections are concerned, I have no knowledge of anything other than thoughtless irregularities, and none of them have finally affected the ultimate results so far as the will of the people was concerned.

That does not mean we should rest upon our oars. I think it is the duty and responsibility of members of parliament to try to maintain as great a degree of purity in our election affairs as possible. In these days when people with other ideologies are trying to upset our

method of government and substitute therefor certain systems under which we would not have any election act as we understand it, I think it devolves upon us, and the responsibility becomes just that much heavier, to see that we try to conduct ourselves on a high plane in democratic elections in Canada and in other democratic states throughout the world.

I really wanted to mention two details which the committee in their wisdom might decide to deal with. One is the question of providing advance polls, as suggested by the hon. member for Nanaimo (Mr. Pearkes). I think there are many of us who feel that there ought to be more provision for advance polls in our ridings. I am rather inclined to think that the act might be widened a little to take in others who are not presently included so far as the right to vote at an advance poll is concerned. It is rather limited in its application at the present time. Because of people having to travel, because of numbers of people living in places other than where they are working, it seems to me we might widen the provisions of the present act to allow certain other classes to vote at advance polls, and to try to arrange for such polls in every riding if at all possible.

I should like to make one other observation in that connection. In many ridings there are a great number of commuters, hundreds of whom use railway trains. In the House of Commons there must be at least thirty or thirty-five members, and perhaps more than that, who do not represent city ridings but ridings that are not too far away from cities, and the people in their constituencies are able to commute in and out to work. With our present hours of voting many good citizens are prevented from utilizing their franchise at all. In some instances in urban constituencies people are given two hours to vote, but so far as the commuter is concerned very often it means the loss of a whole day's work if he is going to vote at all. If he must travel by train for thirty, thirty-five or forty miles to get to his work he has to leave before the poll opens and cannot possibly return before it closes. So I think the committee ought to consider some provision whereby this very responsible section of our people may not be disfranchised by reason of any such obstacles put in their way.

Then I wanted to mention those who may be incapacitated by reason of illness at the time of an election. I know I am treading upon dangerous ground when I mention that subject, because if we were to open the door as wide as we might wish, having in mind some individual cases of which we have knowledge, we might find ourselves in the position of almost providing curb service for the people in connection with the exercise of their franchise. None of us would want to go anything like that far, I am sure; nevertheless where we have large numbers of people in hospitals and similar institutions, where the practical obstacles would not appear to be too great, I do believe we should provide some service which would permit them to record their votes. I am quite sure our hospital population on any given date would amount to a sizeable figure, and I do not think those people should have insult added to injury, if I may so express it, by not only suffering the inconvenience and pain of illness but by losing their franchise as well. I should like to see this committee discuss that matter and deal with it as they may see fit. I have no further suggestions to offer in that regard. I know many doubts will be expressed as to the practicability of such a proposal; nevertheless I believe the matter should be fully aired, and if there is some practical way by which it can be done then I think those of our people who are ill on election day should be given the opportunity of exercising their franchise in the normal way.

My last point is in connection with the polling of the maximum number of votes on election day. Members of parliament and men and women actively interested in the political realm generally wonder why people do not get out to vote in larger numbers; but of course all people are not as interested as members of parliament, candidates and those taking part in the work of an election. Very often when we have a particular interest we think everyone else should have the same interest. Unfortunately that is not the case, though a strong argument might be advanced that after all our people should have no greater interest than their interest in our democratic processes, and I subscribe to that argument. But I think we must recognize the public's position as well as our own. I remember a friend of mine, who did not belong to my political faith, once saying to me, "I cannot understand it. At a gathering the other night none of my friends knew anyone by name in the House of Commons except two cabinet ministers."

Mr. Knowles: Which two?

Mr. Graydon: I think he mentioned the Minister of Trade and Commerce (Mr. Howe), and I took him for two. I replied, "I would not worry too much about that. The public cannot be expected to take an interest in everything; they have not time." I went on to ask him what church he belonged to, and he said the United Church. I said, "Well, you should be interested in your own church.

Who is your moderator?" He replied, "By dads, I don't know. I knew the one ten years ago, but I have not known one since then." So I think we must not ask too much of the public; they are only human; but I do believe they should be encouraged and assisted to reach the polls on election day. A great many people never bother much about an election until it is almost upon them. Great numbers do not make any plans for going to the polling booths; many do not even bother to find out where they are until they go to vote. One thing that might be suggested by way of reform would be to show people where and when they vote. This perhaps would not be so essential in a rural constituency, but it is particularly important where the population is more heavily concentrated.

So I believe we might consider going back to the practice which once was followed, in my opinion with very good results; that is, the practice of sending postcards to the voters a week or less before the election, showing the place, date and hours of voting. Many candidates do this themselves in order to get the vote out. I have not done it, but I know of others who have gone to great expense in sending out postcards a few days before the election showing where the voters should go to cast their ballots; and I believe that is an outlay the government itself might well assume. Hon. members will recall that under the present legislation a copy of the voters' list for the particular subdivision must be sent to each qualified voter; and on that list the voter will see the place of polling, the date, and the hours. However, I am afraid we are all the same, and it is easy to lose a piece of paper even as large as that. Most people do not have a filing system or a filing clerk, and these things get mislaid. Another point is that these lists are sent out some two or three weeks before the election, though at the moment I have forgotten the exact time, since the revision has not taken place up to that time; and in the interval the whole business is often forgotten.

I am going to suggest to the committee that when they sit they might profitably consider leaving that voters' list provision as it is. I think that is a good idea, because people can see whether someone else is on or off the list and the revision becomes that much simpler. I would not touch that provision, but I would add to what is already in the regulations the sending out of a card approximately a week before election day, notifying every qualified voter on the list where he or she should vote, the date of the polling, and the hours of polling. My judgment in this connection would perhaps be tempered by one consideration. If it were a tremendous expense to do this, then perhaps it would have to be considered in the light of the expenditure that would be incurred. Having regard to the importance that I attach, and which I fancy many members attach, to the desirability of getting as many people to the polls as possible on a voluntary basis, I suggest that this practice would be of inestimable value in seeing to it that the maximum number of qualified voters were at least shown the way to the polls.

I should like to make this suggestion in all good faith to the committee, in the hope that it will be considered. I am not a member of the committee, so for that reason I thought it wise to put the suggestion on the record. I should like to see this, and the numerous other matters which will come before that committee, thoroughly aired. In Canada we should try, as far as possible to have eventually the best machinery, and the cleanest, most decent system of electing members of parliament that is to be found in any democratic country in the world. It is a challenge which I think the people of Canada ought to accept.

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, with the concluding remarks of the member for Peel (Mr. Graydon) I am sure the whole house will be in full agreement. Several members have referred to the service vote, having particular reference to what took place at Greenwood. I feel it is desirable, and I think it is only fair to the services, that I should say a word of explanation.

At the outset I should like to express my appreciation to the member for Nanaimo (Mr. Pearkes) for his fair, yes his generous, remarks about the services and their rather perplexing difficulties when face to face with the responsibility of carrying out a poll under service conditions. I thought both the remarks of the member for Nanaimo and the concluding remarks of the member for Peel illustrated that we are on the right track in setting up a committee to try to improve things if we can.

With regard to the service vote, everyone recognizes that service personnel are citizens. I happen to think they are very good citizens, and as such are entitled to vote. In the case of Greenwood there was no question but that all the service personnel who voted were entitled to vote somewhere. The only question was, were they entitled to vote at Greenwood where they cast their vote? And the question, of course, applies only to a minority of the men at Greenwood. I think hon. members who have taken the trouble to read the judges' report, or who have looked into the matter as carefully as I have through

no less than two sets of officers investigating the situation on the spot, will reach the conclusion that, while certainly votes were cast improperly at Greenwood, the improper casting of those votes was in no way due to any irregularities in the conduct of the polls, but was due to the fact that some of the men made a declaration of residence on the outside of the envelope which was not in accordance with the defence services voting regulations.

Mr. Green: The minister is not referring to the Greenwood riding?

Mr. Claxton: No, the Greenwood R.C.A.F. station where the poll was held. The riding, of course, was Annapolis-Kings.

Mr. Green: In Nova Scotia?

Mr. Claxton: In Nova Scotia. Most of the service votes were quite properly cast there.

The explanation of how this arose is, I believe, simple, but is due to a rather complicated situation. Before the war there were no special regulations for taking the service vote; the ordinary civil procedure applied. In 1940 special regulations were adopted, and those were in effect in the general elections of 1940 and 1945. By and large, they gave satisfaction. I believe that no hon. member in this house will question the statement which I now make, that in the three general elections, 1940, 1945 and 1949, the way in which the service vote was taken showed a remarkable record of fairness.

At the conclusion of the war it was felt that the 1945 regulations required some additions to take care of the fact that service personnel would now be resident for considerable periods of time at stations which were at isolated centres. Accordingly when the election committee of this house was set up in 1947, the chief electoral officer put before that committee his recommendations as to the defence services voting regulations. The committee attached to its reports the text of the regulations as he had recommended them. Those are the regulations that are now in effect, letter by letter in accordance with the recommendations of the committee. The only change from the regulations previously in effect made in the regulations adopted in 1948, in consequence of the committee's report in 1947, was that the regulations of 1945 were amended by adding paragraph (b) to section 23 (1), to provide for service personnel having an option as to where they would vote. It is that option, made in consequence of the parliamentary committee's recommendation, which gave rise to the difficulty.

Those service electors who voted in the Annapolis-Kings election who were stationed at Greenwood voted in the place where they were ordinarily resident, as that term is used in reference to civilian electors in the election act. Had they been civilians, they would have been entitled to vote at Greenwood for whichever candidate they chose, but because of the special provision in the service regulations in order to vote at Greenwood they were required to make a declaration prior to January 1, 1949, almost six months before the election. It was something that few of them could be expected to do. This matter was called to their attention in orders, but still, in the nature of things, very few citizens will take some step six months before an election, before indeed the election is even announced, to put themselves in a position to vote. It was that requirement and that complication which gave rise to the difficulty.

I think hon. members will appreciate the fact that while the difficulty exists and has resulted in much misunderstanding, to use the words of the hon. member for Nanaimo (Mr. Pearkes), and it is that misunderstanding which has given rise to this situation, it is by no means an easy matter to correct. It is by no means an easy matter to provide for a method of election which will enable service personnel situated at isolated centres, such as Shilo, Rivers, Goose Bay and a dozen other places across Canada, to exercise their franchise in the same way as an ordinary citizen would. Yet I believe it is desirable that, as far as possible, service personnel should exercise their franchise in the same way as the civilian.

The question was asked whether the committee would have the power to deal with this matter. Of course the committee has power to deal with everything having regard to the elections act. I may tell the members of the house that this is a matter that has been giving the officers of the Department of National Defence and the chief electoral officer a good deal of concern. They have been looking into the situation, examining how it is dealt with in other countries and trying to work out some suggestions that may be put before the committee for its consideration. But that is, I suggest, by no means easy. In any event, the committee and the house can be assured that in its work, with regard to both civilian voting and service voting, it will have the full co-operation of the officers concerned and of the officers of the Department of National Defence.

Mr. Stanley Knowles (Winnipeg North Centre): I should like to say just a few words, Mr. Speaker, before this motion carries. A good many suggestions have been made today which I hope the committee will consider. While I may not agree with all of them, it seems to me that many good points

have been brought to the attention of the committee. There is just one that I would like to emphasize and perhaps I will go a little bit further than the hon. member for Peel (Mr. Graydon) went. I refer to the grievance that people feel when they are denied the right to vote because they have to be away from their home constituency on election day.

The hon. member for Peel made a useful suggestion when he proposed that the provision for voting at the advance poll should be widened somewhat. He suggested that the categories of people entitled to vote should be enlarged. I see no reason why there should be any limitation at all on the classes or categories of people entitled to vote at the advance poll. I know, for example, that in provincial elections in my own province of Manitoba it is possible for anyone who has to be away from his home constituency on election day to vote at the advance poll, simply by declaring that he has to be away.

Another possible solution of the problem might be found by taking a leaf from the book of British Columbia with respect to their practice in provincial elections. I understand that in that province there is quite an extensive arrangement for absentee voting. In other words, no matter where you are in the province of British Columbia on election day, you can cast your vote. If you are in your own constituency, you vote at your own poll. If you are out of your own constituency, you are permitted to vote wherever you are and to cast a ballot for the candidate of your choice back in your own constituency.

Mr. Green: Provided that you are on the list.

Mr. Knowles: Certainly. The hon. member for Vancouver-Quadra (Mr. Green) makes the necessary interjection that you have to be on the list. I am not dealing with that feature. I believe suggestions have already been made today as to the desirability of taking the list in the most effective way. My point is that there are these two cases that I am citing, the unlimited use of the advance poll in the province of Manitoba and the use of absentee voting in the province of British Columbia, which have to a large extent solved the problem of voters who have to be away from home on election day.

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

Mr. Knowles: Certainly.

Mr. Green: Would the hon. member suggest that a person who might be on the list in British Columbia could vote in Halifax?

[Mr. Knowles.]

Mr. Knowles: As a matter of fact, I was going to come to that point, and to say that it might create some difficulty if the provision were as wide as that. I am not trying to spell out all the details. I will leave that to the committee in consultation with the chief electoral officer and those who are experts in this field. A possibility might be that a person could vote anywhere within the province to which he belongs. But I think if that limitation were made it would then be desirable to couple with it the suggestion I have already made about the advance poll. In other words, I feel that anyone who has to be away should be permitted to vote, and the advance poll seems to be the best solution to the problem. In addition, I would suggest that the time for the advance poll should be made just as many days in advance of the actual polling date as is administratively possible. After all, in a democratic election our aim is to get out to the polls as many as possible of the people who are entitled to vote. Once we have made sure that there is nothing out of the way going on, that no people are on the list who are not entitled to be on it, every effort should then be made not to restrict or to limit people from voting but rather to facilitate their voting. I strongly urge the committee to consider one or the other or both of these suggestions. As I say, I have cited the practice in those two provinces. A possible solution would be a combination of the two of them.

I know that this matter has been considered when the elections act has been under review on former occasions, and that proposals such as I am making have been rejected. But in the meantime we have had another election. Thinking of my own experience on June 27 of last year, the grievance or the complaint that was drawn to my attention most often was that of persons who were denied the right to vote because they had to be away from their own constituency on election day. I would strongly urge the committee this time to try to meet that problem.

There is just one other thought concerning which I would like to say a word or two; and this is more in the nature of a plea to the government than to the committee. The matter was mentioned this afternoon by other speakers. It is that of the desirability of the next and future redistributions being made not by a parliamentary committee but by some qualified independent commission. The last time the matter of redistribution came before this house I had the privilege

of moving an amendment to try to give effect to that idea, but the house did not see fit to support that amendment.

One of the arguments advanced at the time was that the need for getting the job done then was urgent. I suppose, Mr. Speaker, if we wait until redistribution comes again and then propose the idea that it should be done by an independent commission rather than by a committee of the house we shall then be told, "Here is a job that has got to be done now; the election is just around the corner", and so on. Obviously, the time to deal with a question like this is not just on the eve of an election or not just at the time of the redistribution itself; the time to deal with it is in advance, when it can be considered objectively. I would strongly urge the government—which, after all, has to give the house a lead in these matters—to consider the possibility of bringing in within a year or two a bill to provide that redistribution in Canada in future years might be done, not by a committee of this house, but by an independent commission, as is done in most other democratic countries.

Mr. E. A. McCusker (Regina City): Mr. Speaker, I should like to make a few brief observations. One is on the advance poll. The greatest grievance that I observed in the constituency I have the honour to represent was the great number of people who were forced to take their holidays at the time of the election. They were told: you can take your holidays in the last week in June and the first week in July. They had to forgo their holidays, or forgo the privilege of voting. You can well understand that a lot of them could not afford to give up their holidays. They are planned ahead. Therefore provision should be made for people who have to take their summer holidays to vote, as well as railwaymen, commercial travellers and other types of people who are allowed to vote at the advance polls.

The other matter to which I wish to refer is the soldier vote. I wish to make some observations on that as I had the privilege to be in on a recount where the soldiers' vote came under observation. I want to assure the house that the secrecy of the individual vote was not broken. There were some 275 or 300 votes counted. I do not think that in an individual case the name of the man could have been identified with the vote, but the trend of the vote was divulged. And while I say it was very flattering, I do not think it is quite fair to place the military in a position where the trend of their vote is divulged. I think they should have the opportunity of having their ballots counted at the same time that the civilian ballots are counted so that the secrecy is maintained.

These are the only two observations I have. I may say that on the recount I had the opportunity to scrutinize closely every vote and every ballot in the constituency which I represent. I am proud of the way the people marked their ballots. I do not mean proud for whom they marked, but the tidy way in which they marked them.

Mr. L. A. Mutch (Winnipeg South): Mr. Speaker, I was one of those on the committee in 1948 who took a great deal of time dealing with the question of voting at advance polls. I do not anticipate being on the committee at this time, but I think anyone who represents an almost wholly urban riding, as I do, cannot help but be seized with the importance of the subject. If we are not to disfranchise a large number of people, and if we are not to draw distinctions between people according to the nature of their employment, it should be a serious purpose of this committee to devise some more general method of taking the advance polls.

In 1948 I had the opportunity to question experts with respect to this. We had before us the resolution of a former committee and the evidence. I have forgotten the date. I think it was 1937. It was back some time at any rate. I have now had the experience of four elections at different times of the year, and I have some knowledge of what the nature of the problem is. It is wholly impossible to explain to a man whose livelihood demands that he be away from home on election day—and the same applies to a woman—that it is all right for him to lose his vote; whereas others, because they happen to fall within a certain professional classification, are able to take advantage of the advance polls. I do not go so far as one of the speakers went a little while ago in suggesting that it is necessary to have advance polls possibly in every polling division, and certainly not the multiplicity of advance polls that the then chief electoral officer seemed to fear when I made my argument in 1948. But I know of my own knowledge, and because I recorded them, of some 365 persons who were legitimately absent from the riding of South Winnipeg in the election in 1949, and I am sure that, if I knew that many, proportionately at any rate the other candidates must have known of another couple of hundred. Whether the number be that large, or less, or twice as many, the principle of classifying people as to their opportunity to vote by the particular occupation which they seem to have is too restricted. If the committee does not do anything else, it ought to

see to it that the opportunities for advance-poll voting are broadened. I do not go so far as to say that because someone wants to be away on holidays or wants to open up a summer camp two or three days earlier, wants to open on a Friday instead of waiting until Monday, they should be considered. You cannot legislate for peculiar and particular circumstances specifically; that only happens when you have a June or July election as a rule in this country. But the principle that I object to most is the classification by occupation to the extent that it is restricted. I do hope, and I am sure all hon. members from urban constituencies in particular must hope, that the committee will give serious consideration, and will make further recommendations to broaden the opportunity for voting at the advance polls.

I know, of course, that no matter how broad you make it, or how much you explain the differences in other ways, there will always be people on the borderline and you will continue to have the problems; but you will reduce the problem, which at the moment is a grievance to a large number of worthy people.

The only other thing I want to say, Mr. Speaker, is this. In 1948 we looked very carefully into the principle of absentee voting. I would say this. I have not yet seen—I suspect no one else here has seen—a system of absentee voting which is above the suspicion which the hon. member for Nanaimo (Mr. Pearkes) mentioned a little while ago in respect to the envelope voting that was exercised by the troops in the last election. Somehow that doubt of the secrecy of the ballot, where the ballot is not cast in the locality where the elector is entitled to vote, arises. That doubt is there. Those of us who are a little older had some unfortunate experiences back in the period of world war I when large blocks of absentee ballots were put on the auction block. That does not express exactly what I mean but the result was entirely the same. We do not want a repetition of that. Therefore the committee should walk very warily in considering any extension of the principle of the absentee ballot.

Mr. L. T. Stick (Trinity-Conception): Mr. Speaker, I wish to say a very few words in respect of the position of the advance poll in Newfoundland. I would like to bring to the attention of the house the fact that thousands of our fishermen leave home usually the latter part of May and early in June, and go hundreds of miles away for the summer fishing. In my riding there were about six thousand who lost their vote. I would bring

to the attention of the committee some method whereby advance polls should be made for these men.

In my riding there is a coastline of about 500 miles. There were two advance polls, one in Harbour Grace and the other in Clarenville, about 150 miles apart. I do not expect the fishermen to go 50 miles to cast their votes. I do think that some consideration should be given whereby advance polls would be set up earlier and in the different localities so that these men can cast their votes before they leave home and go away. It is a serious problem in Newfoundland in the summertime where thousands upon thousands of our men leave their homes and go to Labrador and elsewhere. If we have an election on June 27 at another time thousands of these men will be disfranchised.

I want to bring to the attention of the house and of this committee this problem so that all possible means may be devised in order that they may be able to cast their votes before leaving home.

Mr. W. G. Blair (Lanark): I have had some difficulty with regard to this matter of the advance poll in my own riding. There are four towns in the riding with quite a few railroad people. Of these four towns only one town has had an advance poll, where there is a large railroad centre. The only people who can vote at that advance poll are the people who are on the voters' list of that town. Railroad men from other parts of the constituency have not the opportunity to vote at that advance poll.

Arrangements should be made whereby railroad men and others who might be qualified for the advance poll could get a certificate from the returning officer of the constituency indicating they were entitled to the advance poll. These men I am sure would be ready to travel the necessary distance if there were only the one advance poll in the constituency. Where there is no advance poll in two of the towns these men, especially the railroad people, have no opportunity to vote. A dominion election is usually held on a Monday and if the advance poll were ready three days before the election they would have an opportunity of casting their votes.

Previously there was only the one advance poll in the constituency at Smiths Falls but in the next election there will be an advance poll in one of the other towns. But that still leaves two towns without advance polls. As I suggest, railroad men and others who are eligible to vote should be able to go to the returning officer and obtain a certificate permitting them to vote at any place. If there

were only the one advance poll in the constituency they would be entitled to go there to vote.

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, I have heard nothing said in favour of the single transferable vote.

Mr. Ross (Souris): The hon. member was not here this afternoon.

Mr. Benidickson: I do not want to delay the setting up of this committee, but I want the house to know that my views have not altered. I was one of those in the last parliament who made the suggestion that the transferable vote should be permitted at the last election. I do not want the house to think that the decision reached in that election has changed my views in any way. I want this committee to study the single transferable or the single alternative vote as it is sometimes called.

Mr. J. W. Noseworthy (York South): Mr. Speaker, there is one matter that has received little attention during this debate and which I should like to emphasize. I think anyone who represents a metropolitan or suburban constituency realizes that more voters are disfranchised because of the hours of voting than because of any regulation.

There are many voters in Toronto, and particularly in the suburbs, who have to travel from 12 to 15 miles in order to vote. It is true that workers are permitted time off, but in actual practice there are literally hundreds who do not apply for it. To wait until the factory closes at five o'clock and then attempt to get home before the polling booth closes is just not possible.

What I am saying applies more particularly to by-elections than to general elections. In a general election it is a common practice for factories to give employees time off during the day, but it happens quite often in a by-election that there are only a few employees from the constituency concerned working in a plant and they hesitate to request time off. Almost invariably they depend upon getting home before the poll closes.

This is one feature that should be studied by the committee. There are many reasons why the polls should be kept open until eight o'clock instead of being closed at six o'clock under the present practice.

Motion agreed to.

NATIONAL RESEARCH COUNCIL

APPOINTMENT OF COMMITTEE TO EXAMINE INTO OPERATIONS

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved:

That a special committee be appointed to examine into the operations of the national research council; that the said committee be empowered to sit during the sittings of the house and to print such papers and evidence from day to day as may be ordered by the committee; and to report from time to time; that the said committee consist of Messrs. Breithaupt, Brooks, Coldwell, Bourget, Gibson, Green, Kirk (Digby-Yarmouth), Low, McCusker, McIlraith, Murphy, Pinard, Stuart (Charlotte), Winkler.

He said: In moving that a committee be appointed to examine into the operations of the national research council, perhaps I should say a word about the subject matter of the motion. The national research council is a corporate body operating under the general auspices of the committee of the privy council on scientific and industrial research, of which the Minister of Trade and Commerce is chairman and the ministers of agriculture, fisheries, mines and technical surveys, national defence, national health and welfare, and resources and development are members.

The honorary council, which acts as a general board of scientific directors, includes the president and vice-presidents of the council and seventeen other distinguished Canadians appointed for a term of three years and chosen to represent industry, labour and university scientific departments. I would like to pay tribute to this distinguished group of Canadians, among whom are three presidents of universities, two of Canada's outstanding medical scientists, two industrialists with wide experience and other outstanding scientific and technical people. These gentlemen give their time on an honorary basis and spend from three to four days, four times a year, on most important work.

Nearly 3,000 persons are employed in the laboratories, which include biology, chemistry and physics, in the pure sciences; and engineering divisions for aeronautical and hydraulic studies, radio and electrical engineering, and building research. A division of information services operates the library and the liaison offices, issues the *Canadian Journal of Research*, and through its technical information service offers scientific advice on manufacturing problems. The division of medical research has an office in the national research building, but its activities are largely conducted through grants and fellowships, tenable in medical schools.

Laboratories outside Ottawa include a flight research station at Arnprior, Ontario, and prairie regional laboratory at Saskatoon, Saskatchewan, the maritime regional laboratory at Halifax, Nova Scotia, and the atomic energy project at Chalk River, Ontario. A post-doctorate fellowship plan enables scientists from many countries to share in the laboratory activities.

In addition to its laboratory research, the council awards scholarships and fellowships

for post-graduate study and makes grants-in-aid to responsible persons in universities for research on approved projects, mostly in pure science.

About forty committees assist the council in the planning and direction of research projects on subjects of broad national interest.

While the work in the national research laboratories is directed chiefly toward increasing the efficiency of Canadian industry, the responsibility for and importance of pure scientific research as a means of keeping investigators abreast of world developments have been recognized and the fundamental work which is going on in the physics and chemistry divisions is of a high grade and is receiving international recognition. The junior positions of the establishment in the fundamental research divisions are being filled by post-doctorate fellowships. Under this plan more than 50 of the world's most distinguished young scientists from 37 different universities and from ten countries of the world have been brought together to work under leading research scientists at the council.

The national research council operates the Chalk River plant as an agent of the atomic energy control board. This establishment employs about 1,200 men and has a budget of about $6 million. I mention this as one of the responsibilities of the council but will not mention any details as I am dealing tonight with the research council in its more restricted meaning.

One of the most recently established research divisions is associated with building. Because of the high level of construction activity in Canada difficulties have been experienced in building up a staff for this division, and because of the urgency for housing this division has deferred long-term research projects in favour of the more immediate and urgent problems of today. However, a regional station is being developed at Saskatoon to deal with the special problems of the prairies, and a large laboratory facility is being built in Ottawa for testing whole sections under severe cold weather conditions. This division acts as a scientific research arm for the housing corporation and its time and energies are largely devoted to the problems of the corporation. In addition, engineers in this division have co-operated with the authorities in various cities in connection with foundation, construction and subway problems.

Regarding the mechanical engineering laboratory, this is essentially an aeronautical laboratory and serves the research interests of the Royal Canadian Air Force, Canadian aviation industry and the air transport systems. The structures unit of this division is testing full-scale models of the aircraft being made in Canada including the A.V. Roe jet fighter and the jet transport. A supersonic laboratory is being constructed which can test components, and at Arnprior at a very moderate cost a small transonic wind tunnel has been built into the wing of a Mustang aircraft which can operate as a flying wind tunnel. Facilities are available for making complete flight tests on aircraft including the installation of the wide range of complicated instruments required for such work.

The investigations of icing and the development of protective devices against this hazard have been carried on vigorously. At the present time an R.C.A.F. North Star aircraft has been fully equipped and is being used for this important work. In the hydraulics laboratory various models are being tested, and a 30-mile stretch of the Fraser river and its delta is under investigation in this way for possible improvements of the navigation channels. Also numerous problems associated with the movement of logs in rivers, the study of fishways and the problems connected with log jams are being studied in the model tunnels. An extensive line of cold weather investigations is being carried out in the cold weather laboratories, and studies of the effect of low temperature on lubrication problems of motor vehicles, aircraft, diesel locomotives, and many other equipments are being made.

As to the division of radio and electrical engineering, radio problems in connection with aircraft are also being studied in this laboratory. The high speeds of jet-propelled aircraft have brought innumerable problems in connection with antennae and this laboratory has designed a suppressed antenna for the new jet-propelled A. V. Roe transport. Much work has been done on aids to navigation for both marine and air use. Experimental harbour control units have been established in both Halifax and Vancouver, and a marine radar set for merchant steamers designed by the research council is now in commercial production.

The radar section has also given assistance to other departments of government in connection with the development of shoran which makes possible rapid and accurate surveying of large areas from aircraft. This division is also doing extensive service work for other departments of government, divisions of the council, and industry in the many specialized fields of electrical engineering and radio.

The chemistry division is divided into two sections, one dealing with the more fundamental aspects and the other with chemical engineering. The work of the fundamental section contributes directly to fundamental knowledge but it also assists and stimulates the applied divisions. In chemical engineering, work is being done in the fluidized bed techniques for the recovery of oil, and this work is showing promising results.

Recent tests on military and civilian aircraft have provided further evidence of the effectiveness of a rain repellant developed in this division which maintains a clear vision through aircraft wind screens when flying through rain. The officers of the council feel that this development is extremely important, and that not enough recognition has been given to it by operating air lines.

The textile laboratory carries on large amounts of service work in connection with the Canadian research institute of launderers and cleaners and the various departments of government. Its activities cover a very wide range of projects in connection with fibres and various synthetic fabrics, protection against various agencies, the efficacy of dry cleaning, and the suitability of fabrics for one hundred and one different purposes. Work on corrosion, protective coatings, rubber, as well as innumerable demands on the analytical laboratories, all serve the interests of Canadian industry in a very effective way.

The work in the division of applied biology includes fundamental and applied investigation on food preservation and the utilization of agricultural wastes and residues; fats and oils; seaweeds; and biological statistics. During the year a great deal of work was done on a model of a railway refrigerator car which shows great promise and will probably be adopted in the near future. The prairie regional laboratory at Saskatoon is now well established and the fermentations and microbiological work in connection with the utilization of agricultural waste products is being studied there.

The division of physics is responsible for maintaining scientific standards, and every year comparisons are made with comparable standards in the United States national bureau of standards and in various European laboratories.

The new spectroscopic laboratory established in this division this year will be one of the best equipped laboratories in Canada, and the fundamental work now being turned out by the director and his staff is of a very high order. The work on acoustics, cosmic rays, heat, industrial radiology and optics occupies the time of a large percentage of the staff, and is of invaluable assistance to industry and to other scientific laboratories.

In addition to the operation of the laboratory divisions the research council carries on a most important and extensive work of an extramural nature. The division of information services operates the national research library which is the best of its kind in Canada. This division serves not only the research staff but other scientific institutions throughout the country. This division is also responsible for the hundreds of publications which are put out each year, and it operates the technical information service which was set up with representatives located in all the provinces of Canada to give a direct field service to the smaller industries across the country. This activity is not spectacular but is, we feel, already producing results of great value to Canada.

Since its inception the council has awarded scholarships and made grants-in-aid to university professors. This year about a quarter of a million dollars will be distributed to perhaps 400 students across the dominion in the various sciences. I think few people recognize the extent of the assistance given through the research council to the research workers in the universities of Canada. This year the total sum for this purpose will amount to nearly a million dollars, and indirectly this supports many hundreds of workers in research laboratories. The returns from the money so spent are, I think, far beyond the dollar value of the grants. In addition the council runs liaison offices in London and in Washington, and carries on many other activities too numerous to mention.

I have tried merely to outline very briefly the general work of the council. The committee will find other interesting activities which I have not touched upon. I am sure that the members of the committee, and through them this House of Commons, will benefit from the more detailed examination which this committee is to make.

I have been associated with the work of the council through the war and post-war years. I have some knowledge of the remarkable contribution of the council and its staff during the war years to the winning of the war. Almost every activity on the production front benefited from the work of the national research council. I am proud of the calibre of the men and women who make up the staff of the research council. The parliamentary committee will find there the same type of able and enthusiastic young scientists and workers they met at Chalk River. The committee will gain an appreciation of the refinement and precision of modern laboratory work. I am sure that hon.

members of the committee can look forward to an informative and interesting series of meetings.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, the statement just made by the Minister of Trade and Commerce (Mr. Howe) has been both interesting and helpful. I am sure it will be of great assistance to the members of the committee in their work, and I feel confident that the minister will have no cause to regret that this committee has been set up. As the house knows, its work is merely an extension of that done by the atomic energy committee set up last session; in fact the only difference in the resolution is the substitution of the words "national research council" for "atomic energy control board." While that committee on atomic energy was very small, being composed of only fourteen members, and while none of us were scientists, the work of the committee was of the greatest help to all those who had the privilege of serving on it. The esprit de corps of that committee was higher than that of any committee on which I have served in parliament. I notice that the personnel of the committee on the national research council is the same as the committee of last year; and I look forward, as I think we all do, to a worth-while effort.

The research council was set up in 1924 and there were no amendments to the act until 1946, a year after the end of the recent war. Whether that was because the original act was so good or because not a great deal of interest was taken in the work of the research council, I do not know. As the minister has pointed out, the council did splendid work during the war, and in 1946 it was felt that the act should be amended to permit the council to carry on with the work that had been undertaken during the war years. For example, the council was given power to do more than mere research. It was given authority to carry some of its research into actual operations, and it was also given power to set up crown companies. The members of the official opposition did not think very much of that idea, nor do we think very much of it yet, but I believe only one or two companies have been set up under that power; the minister will correct me if I am wrong. The council was also given extended powers with respect to patent rights. I think it will be important for the committee to look into the activities which have been carried on under those increased powers conferred in 1946.

The minister has mentioned that the council is now engaged in research work having to do with home-building, which we all know is of the utmost importance. He has also mentioned work in connection with the Fraser river. I believe a model of the lower Fraser valley has been set up at the university of British Columbia, and on the coast we are all expecting that as a result of these studies steps will be taken to prevent the bad flooding that occurs on the Fraser river, and to make sure that great river continues to benefit the people of that province. All these efforts are very much worth while.

As you know, Mr. Speaker, one of the fundamental beliefs of the Progressive Conservative party is that Canada's natural resources should be used in Canada to the greatest extent possible. The Minister of Trade and Commerce has had that pounded into him pretty hard over a good many weeks both last session and this session, and we hope to pound it into him even more. We believe the research council can help a great deal in making it possible for Canadians to use their natural resources at home. I was a little disappointed in the answer given by the minister yesterday with respect to prospecting for uranium. He made a statement in which he said there had been some increase in the guaranteed price, and at page 1596 of *Hansard* I asked:

> Are the quantities of uranium ore now being produced considered by the government to be satisfactory?
>
> Mr. Howe: The government has no reason to be dissatisfied. We would like to have more, but we have sufficient for our own purposes and have a surplus to sell to other friendly governments.

That was not a very enthusiastic statement. It was not the sort of answer that would get people excited about going out to look for uranium. Rightly or wrongly the people of this country believe there should be a drive to find more uranium. From the evidence given before the atomic energy committee last year I am not so sure that belief is correct; but if there is value in finding more uranium then I suggest to the minister that a more thrilling challenge should be placed before those Canadians who are interested in going out to look for uranium.

I mention that merely as an aside. We strongly favour the active promotion of scientific and industrial research in Canada. That is one reason we are very glad to see this committee set up. We believe every possible encouragement should be given our own scientists, both old and young. Those Canadian scientists who have remained in Canada have made a grand contribution to the life of the nation. Unfortunately many of our scientists, particularly young men, have been compelled to go to the United States. I hope it may be possible to keep an ever larger percentage of those brilliant young men in our own country. They are the product of our own schools and

universities, and I do not believe there are better universities anywhere in the world. It is just too bad that so many of the graduates have found it necessary to go away.

The other day I was very interested to read the report of a speech delivered by Dr. L. G. Cook of Chalk River. It so happens that when the atomic energy committee visited Chalk River the members of that committee met most of these leading scientists, and during that visit I had a chat with Dr. Cook. I had been inspired by the attitude of these men at Chalk River. They were keen about what they were doing, and no one was keener than Dr. Cook. I remember saying to him, "It is a grand thing that you young men are doing this job for Canada; I am glad that you are staying here, even though you might be able to get a higher salary if you went to the United States." I remember so clearly his reaction; it was immediate. Referring to the work he was doing, he said, "Oh, this is so exciting." When Dr. Cook made this speech in Ottawa, I think it was before the Rotary club a week or two ago, he made a challenging speech. I suggest it would be worth while for the members of the government and the private members of the house to read that speech because I think he was talking common sense. If his plan is followed, it will mean a great deal to the future of Canada.

I should like to say also, and I think all members of the house will agree with me, that the universities of this country are making a great contribution towards scientific development, as well as in the field of research. They deserve the commendation of the members of this house for the work they are doing. There is so much that one might say, but time is limited tonight. Several other members wish to speak, so I conclude by expressing the hope that this new committee will be able to make a worth-while contribution to the development of Canada, and personally I greatly appreciate the opportunity of serving on the committee.

Mr. M. J. Coldwell (Rosetown-Biggar): I am not going to prolong the discussion, because I think all of us are anxious to see this committee set up. I do want to join however the member for Vancouver-Quadra (Mr. Green) in expressing appreciation of the setting up of this committee. For a number of years I have felt that the research council, as well as several of our other public organizations like the national film board, should be given an opportunity of appearing before a parliamentary committee to inform the members of the work they are doing. Through the members of parliament, the country would be given some indication of the valuable contribution these organizations are making.

Very few of us in this house, even those who have been here a number of years, know much about the research council. I remember driving along Sussex street a few years ago, seeing this old mill which was turned into a research facility for the national research council, and wondering what was coming out of a place of that sort. Suddenly during the war we saw on the Montreal road some fine buildings being erected surrounded by barbed wire, obviously under measures of security. We learned afterwards that they were for the national research council. During the war some of us had the opportunity of seeing some of the things the council was doing, such as research on synthetic rubber, and the pilot plants that were erected on Sussex street to see whether it could be obtained from milkweed and other products. This was at a time when rubber was exceedingly scarce.

A number of valuable contributions have been made both in war and in peace by this organization. Canadian industry has benefited from it. I would of course have preferred to see some crown companies established to utilize some of the fine discoveries for the public of Canada. I quite agree with the member for Vancouver-Quadra that we should be developing our resources primarily for Canada, but I want to stress the point that we should develop them for the Canadian people as a whole, and not for a few.

Mr. Green: We agree with that.

Mr. Coldwell: I am not going into that matter tonight, but I also want to join the hon. member in expressing appreciation of the work done in our universities, and to express regret that so many of our young scientists who have been trained, both in the national research council and in our universities, have to seek employment where salaries are more attractive and facilities are better. I think that is something that we must regret. Not only do these organizations need commendation; they need salaries and allowances later on that will enable them to do the kind of work and perform the services from which Canada can benefit.

I do not want to delay the setting up of this committee, but I want to say also that I am pleased with what the minister said tonight. He gave us a fine if brief outline of the work of this council. I am quite sure that the committee will receive valuable information, and will understand the work of the research council at last—I was going to say "better", but I shall say at last. Then

through that committee both parliament and the country may be better informed of the valuable services rendered by this organization to Canada and its people.

Mr. Solon E. Low (Peace River): Just before you put the motion to set up this committee, Mr. Speaker, I should like to say a word. I must confess that I know very little about the national research council, but there is a great deal that I should like to know. For that reason I sincerely welcome what the minister has done in setting up this committee, and because I am a member of the committee.

I should like to join with the two previous speakers in saying that perhaps one of the most valuable bits of work that can be done by the committee would be the creation of an informed body of opinion in this parliament. Such a body could be of service to the minister in connection with projects he would like to see the research council carry out for the good of the country. I have in mind the efforts the minister has been making to establish in Canada industries and productive enterprises that will help to make Canada much more self-sufficient than she has been. I know the minister has been much interested in expanding steel production. We have not yet begun to realize Canadian possibilities. In my judgment the research council could be of inestimable value in carrying out research in various fields in which it may be thought Canada could start producing things which she has had to get from other countries, and for which she is dependent upon other countries. In times of crisis, it is dangerous for Canada not to have within her borders the essentials for living. My sympathies are with what has already been said about developing Canada for Canadians. In my judgment, the research council can be of inestimable value in that direction through its work.

I should like to say a word about our young scientists. Through my work on the atomic energy committee last year, I was impressed with the fine young scientists I met. The young men—

Mr. Green: The young men and women.

Mr. Low: Yes, I must not forget the women, because actually some of the most brilliant scientists at Chalk River were young women. They were enthusiastic about their work, and they seemed to generate some sort of aura about them which one felt. You did not have to listen to them at all. On a number of occasions when I was at Chalk River I wondered if we had gone far enough in trying to make working conditions and salaries what they ought to be, in order to retain these young men and women. I think on one or two occasions it was intimated that some of these scientists had been offered much larger salaries and incomes than they were getting, just to go to some other country; but they preferred to stay here because they felt that here they were part of the biggest thing in the world; and they were. I think that is commendable.

In the lesser fields, let us not forget the young men and women who are down in the first few grades of the scientific branches. I happen to know some of those young people, having become acquainted with them here in Ottawa since I came here in 1945. I know many of them who have developed themselves quite well over the years. But sometimes one wonders whether we have done enough for them to make them feel satisfied to remain in Canada.

I welcome the opportunity of going into these things in the committee to find out what we can do in this house to back the minister and the research council in their efforts to keep here as many as we possibly can of the brilliant young men and women we are developing through our universities. I want to thank the minister for the fine statement he made tonight. I am sure it will be most helpful in our endeavours.

Motion agreed to.

RADIO BROADCASTING

APPOINTMENT OF COMMITTEE TO CONSIDER ANNUAL REPORT AND REVIEW POLICIES OF CANADIAN BROADCASTING CORPORATION

The house resumed, from Friday, March 31, consideration of the motion of Mr. McCann:

That a select committee be appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies and aims of the corporation and its regulations, revenues, expenditures and development, with power to examine and inquire into the matters and things herein referred to and to report from time to time their observations and opinions thereon, and to send for persons, papers and records;

That the committee have power to print such papers and evidence from day to day as may be deemed advisable or necessary;

That the committee have power to meet while the house is sitting;

That the committee shall consist of the following members: Messrs. Balcer, Boisvert, Cote (St. Johns-Iberville-Napierville), Decore, Diefenbaker, Fleming, Fulton, Gauthier (Portneuf), Gauthier (Sudbury), Hansell, Henry, Isnor, Kent, Knight, Langlois (Gaspe), Maybank, McCann, Murray (Cariboo), Richard (Ottawa East), Robinson, Riley, Smith (Moose Mountain), Smith (Calgary West), Stewart (Winnipeg North), and Whitman;

That the presence of at least nine members shall be a quorum of the said committee; and

That standing orders 64 and 65 be suspended in relation thereto.

Mr. Green: Were we told last night, Mr. Speaker, that this matter would be up for consideration today?

Mr. Fournier (Hull): Yes, Mr. Speaker. Last night I announced that, after calling the departments into supply, we would then proceed with the resolutions to set up the following committees: on the Dominion Elections Act, 1938, and amendments; on national research council; and on radio broadcasting.

Mr. Green: Oh, yes.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Some hon. Members: Carried.

Motion agreed to.

NATIONAL DEFENCE

CONSOLIDATION AND REVISION OF EXISTING LEGISLATION—ORGANIZATION FOR DEFENCE —CODE OF SERVICE, DISCIPLINE, ETC.

The house resumed, from Thursday, March 23, consideration in committee of the following resolution—Mr. Claxton—Mr. Beaudoin in the chair:

That it is expedient to present a bill to revise and consolidate in one act the several acts respecting the Department of National Defence and the armed services of Canada, with provision *inter alia* for the payment of pay and allowances of officers and men of the forces, the salaries and expenses of members of the defence research board, fees and allowances of the members of the court martial appeal board, the compensation for loss or damage due to the exercise of emergency powers, advances to meet expenses and costs of calling out forces in aid of civil power, the acquisition and disposition of property and generally the costs of and incidental to the operation of the act, and all other matters directly concerning defence.

Hon. Brooke Claxton (Minister of National Defence): When this resolution was before the committee on March 23 last, I was making a brief statement explaining the purposes of the bill which would be introduced if the resolution was adopted. At the outset may I repeat that it is the desire of the government to refer to a select committee of the house this resolution and also the other two resolutions standing in my name, namely with regard to a measure dealing with prize money and with regard to amendment of the Militia Pension Act. Our hope would be that it would be possible to set up that committee at the earliest possible moment so that it could start its work of studying these measures in the detailed way that that procedure would permit.

In emphasizing the desirability of this procedure I should like to call the attention of the committee to the fact that the defence bill alone is the largest single measure to be put before parliament since the session of 1934. I do not believe that many of its provisions are controversial. Certainly when it was discussed—and it was thoroughly discussed in the other place last session—it was not evident that there was much in it that was the subject of controversy. What we would want to do would be to see that the measure received detailed consideration and we would hope that, in consequence of that consideration, the measure might be substantially improved. While it has had, as I have indicated, extensive consideration in the department, also by officers of the crown and by a committee and the chamber itself in the other place, there is still room for improvement in this bill. Our hope would be that we would work together to make it the best possible piece of legislation of its kind to be found anywhere.

In its preparation we have had the advantage of similar work being carried on in the United States and in the United Kingdom. In the United Kingdom a committee called the Lewis committee was set up to report on proposed changes in court martial procedure. In the United States there was also a committee set up which resulted in legislation being proposed which is still before the courts. We have had the advantage of considering both the report of the Lewis committee in the United Kingdom and the steps that have been taken in the United States. This bill, in its preparation, I think has gone through no less than some eleven complete redrafts and has been subjected to examination not only by the legal advisers of the department but also by senior officers in the services; and on a number of occasions it has received the consideration of the chiefs of staff committee. It was considered by a special subcommittee of the cabinet, and I think I myself have been through five or six of the drafts completely. While the bill has had that study, I again emphasize the fact that we do not think it is perfect; and we would hope that hon. members would sit down with us and endeavour to make every possible necessary change in it. The purpose of the legislation is far more than simply to consolidate existing defence measures. The purposes are:

(1) to include in one statute all legislation relating to the Department of National Defence and the Canadian forces;

(2) to have a single code of service discipline so that sailors, soldiers and airmen will be subject to the same law;

(3) to make all legislation applicable to service personnel Canadian legislation;

(4) to obtain uniformity in the administration of service justice;

(5) to provide a right of appeal from the findings and sentences of courts martial;

(6) to abolish field general courts martial;

(7) to provide for a new trial on the discovery of new evidence;

(8) to provide in the administration of the department more efficient and expeditious means for the transaction of routine business:

(9) to establish the position and functions of the chiefs of staff;

(10) to abolish, as obsolete, provisions for levee en masse and enrolment by ballot; and

(11) to authorize the employment of regular forces to meet a national disaster, such as a major flood, and to permit the use of reserve forces for these purposes.

This measure, which will be introduced once the resolution is carried and the bill receives first reading, contains all the amendments made in the other place, and a number of minor technical changes proposed by the legal advisers of the government and of the department in consequence of subsequent study. However, these are not matters of substance, and can be explained in detail when the bill is before the committee.

I do ask the committee now if they would not agree to receive first reading of the bill so that it can be distributed. Our hope would be that for the reasons I have given there would not be too extensive a debate and we might proceed to the setting up of the committee before the session gets too well advanced, so that this very important bit of legislation can receive consideration at this session of parliament. If that course were accepted, following the second reading of the bill at some future date, we would propose to refer the prize money bill and the Militia Pension Act amendments to the same committee.

Mr. Pearkes: Mr. Chairman, it is our desire to co-operate with the government in facilitating the movement of this legislation by one step. Therefore I do not propose to make any extensive remarks today, on the understanding that when the bill is brought down for second reading there will be an opportunity for full discussion before it is submitted to the committee—

Mr. Claxton: Quite so.

Mr. Pearkes: —if the minister desires to send it to the committee—because there were one or two points in connection with the bill which was presented to the other house which at least require further explanation and elaboration.

[Mr. Claxton.]

Mr. Claxton: The hon. member's attitude is greatly appreciated.

Mr. Pearkes: We will facilitate it to that extent. Of course nothing can be said today regarding the decision to refer it to a committee.

Resolution reported, read the second time and concurred in.

Mr. Claxton thereupon moved for leave to to introduce Bill No. 133, respecting national defence.

Motion agreed to and bill read the first time.

DEFENCE SERVICES PENSIONS

METHOD OF COMPUTATION—CREATION OF SERVICE PENSION BOARD

Hon. Brooke Claxton (Minister of National Defence) moved that the house go into committee to consider the following resolution:

That it is expedient to present a measure to amend the Militia Pension Act for the purpose of changing the title to "The Defence Services Pension Act"; removing anomalies and improving administration; changing the method of computing pensions and gratuities and establishing a service pension board to pass on requisitions for payment of pensions and gratuities.

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

The Deputy Chairman: In view of the understanding arrived at previously, am I to understand that I shall report this resolution now?

Mr. Pearkes: On the understanding that there will be a full discussion on the second reading of the bill.

Mr. Claxton: Agreed.

Resolution reported, read the second time and concurred in.

Mr. Claxton thereupon moved for leave to introduce Bill No. 134, to amend the Militia Pension Act and change the title thereof.

Motion agreed to and bill read the first time.

CANADA PRIZE ACT

PROVISION FOR PAYMENT AND DISTRIBUTION OF PRIZE MONEY

Hon. Brooke Claxton (Minister of National Defence) moved that the house go into committee to consider the following resolution:

That it is expedient to present a bill to provide for the payment and distribution of prize money out of prize money presently and prospectively in the consolidated revenue fund.

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

The Deputy Chairman: Does the same understanding prevail?

Mr. Pearkes: I think we should have a statement from the minister. This is a more debatable bill.

Mr. Claxton: The house has been very co-operative indeed. Could the co-operation extend to this measure as well?

Mr. Green: Not a chance.

Mr. Claxton: I move that we report progress.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow is private members' day, and we shall follow the procedure set out in standing order 15.

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

HOUSE OF COMMONS

Wednesday, April 19, 1950

The house met at three o'clock.

EXTERNAL AFFAIRS

CHANGE IN PERSONNEL OF STANDING COMMITTEE

Mr. W. G. Weir (Portage-Neepawa) moved:

That the name of Mr. Noseworthy be substituted for that of Mr. MacInnis on the standing committee on external affairs.

Motion agreed to.

OLD AGE SECURITY

CHANGE IN PERSONNEL OF JOINT COMMITTEE

Mr. W. G. Weir (Portage-Neepawa) moved:

That the name of Mr. Cannon be substituted for that of Mr. Gingues on the joint committee on old age security; and that a message be sent to the Senate to inform Their Honours thereof.

Motion agreed to.

CONTROVERTED ELECTIONS

DORCHESTER—REPORT ON TRIAL OF ELECTION PETITION

Mr. Speaker: I have the honour to inform the house that I have received from Hon. Mr. Justice Belleau and Hon. Mr. Justice Savard, two of the judges of the Superior Court of Quebec selected for the trial of an election petition pursuant to the Dominion Controverted Elections Act, the report and judgment rendered by the said judges relating to the election for the electoral district of Dorchester.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

OLD AGE PENSIONS

Mr. MacInnis:

1. Has the government made proposals to the provinces, seeking their co-operation for the establishment of a contributory scheme of old age pensions without a means test?

2. If so, on what date were the proposals made?

3. Have replies been received from any of the provinces, and what was the nature of such replies?

Mr. Martin:

1. In 1945 the government of Canada, as part of the general proposals put before the dominion-provincial conference on reconstruction, proposed that the government establish a system of national old age pensions entirely financed and administered by the federal government and paid at the uniform rate of $30 per month, regardless of means, to men and women aged seventy and over in all parts of Canada. Reference to this specific item will be found on pages 37 and 38 of the book entitled "Proposals of the Government of Canada" and commonly referred to as the green book. On page 42 of the green book, under the heading "Implementation and Financing of Old Age Pensions and Health Insurance", further reference was made to pensions payable without a means test, as follows:

"The proposed system of old age pensions payable as of right without means test to persons seventy or over would be instituted and administered by the dominion government and specific agreements with provincial governments would not be essential to its implementation.

"It is within the power of the dominion to finance its share of the combined cost of health insurance and of old age pensions out of the consolidated revenue fund with such modification of taxation as would be justified, in the opinion of parliament, by the universal benefits of health insurance and old age pensions and by the other purposes of dominion expenditure.

"There are, however, some definite advantages in terms of administrative efficiency, compliance, and popular understanding of the plans, in introducing features more specifically contributory in nature and tied up more closely with the provisions of health insurance and old age pension legislation. These additional and desirable features would be helpful in the early and effective inauguration of the plans and the dominion government asks that they be provided for in specific agreements with the provincial governments".

2. In 1945.

3. As the proposal of the federal government regarding national old age pensions was made as part of the general proposals put before the dominion-provincial conference, the replies of the provinces dealing with the general proposals embraced the proposal dealing with national old age pensions.

BAIT-FREEZING AND STORAGE PLANTS

Mr. Smith (Queens-Shelburne):

1. During each of the years 1946, 1947, 1948 and 1949, how many applications were received for assistance in the construction and operation of fishermen's bait-freezing and storage plants?

Questions

2. In each of these years, how many applications were (a) approved; (b) refused; (c) are still under consideration?

3. To whom, and in what amounts was assistance given during each of these years?

Mr. MacNaught:

1 and 2.	1949	1948	1947	1946
Applications for assistance	5	4	2	3
Approved	1	3	—	—
Refused	2	—	2	1
Under consideration	2	1	—	2

3.

1949—

E. E. Cunningham & Sons, Clark's Harbour, N. S., $900, payment not yet completed.

1948—

Cheticamp Cold Storage, Cheticamp, N.S., $10,000, owned and operated by Nova Scotia government.

Eastern Packing Co., Souris, P.E.I., $4,100, payment completed in 1949.

P.E.I. Industrial Corporation (plants at Charlottetown and Tignish), $30,000, payment completed in 1950.

N. B.: In addition to above items, a number of inquiries concerning assistance have been received, and it is anticipated that some of these will lead to formal applications being received in the near future.

LABOUR CONDITIONS—CHATEAU LAURIER, OTTAWA

Mr. Blackmore:

1. What time in the morning do the girls working at the desk of the Chateau Laurier hotel, on the first shift, come on duty?

2. What time does this particular shift finish work each day?

3. How long do these girls have for lunch hour?

4. How many Sundays off are allowed each month to the waiters in the main dining room of the Chateau Laurier?

Mr. Chevrier:

The Canadian National Railways advise as follows:

1. Mail and information desks, 7.15 a.m.; cashiers, 7.30 a.m.

2. Mail and information desks, 3.45 p.m.; cashiers, 4 p.m.

3. One-half hour.

4. None. The main dining room is the only room where meals are served on Sunday and the entire staff are required on duty that day. All employees in the hotel get one day off a week; where possible this is Sunday.

PUGWASH, N.S., LIGHTKEEPERS

Mr. Black (Cumberland):

1. Who are the keepers of the range lights at Pugwash, Nova Scotia?

[Mr. Smith (Queens-Shelburne).]

2. What salary is paid per year for this service?

3. Are the keepers under the civil service?

4. Are the keepers allowed to actively engage in politics by (a) holding office in political organizations; (b) supplying and operating conveyances for voters at federal and provincial elections?

Mr. Chevrier:

1. William Donald Colborne; John Fullerton.

2. Salary range for each keeper is $315 to $345 per annum.

3. The positions are exempt from the operation of the Civil Service Act.

4. This question appears to fall within the same general category as certain questions which appeared on the order paper earlier in the session and which were answered orally by the Prime Minister on pages 352, 842 and 1,004 of *Hansard*.

SURVEYS AND MAPPING—S.S. "FORT FRANCES"—CHIEF ENGINEER

Mr. Smith (Queens-Shelburne):

1. What steps have been taken by the surveys and mapping branch of the Department of Mines and Technical Surveys with respect to the appointment of a chief engineer on the C.G.S. *Fort Frances*?

2. Has such appointment been made?

3. What are the names of those who made application for the position?

4. What are the qualifications, including certificates, of each applicant?

5. Did any of such applicants see service in the Royal Canadian Navy during world war II? If so, which of them?

6. Does the person appointed or to be appointed possess the highest qualifications?

Mr. Maybank:

1. Applications from six candidates were studied and a recommendation made to the department for the appointment of the most suitably qualified certificated engineer.

2. Yes.

3. James Croy Handley, A. V. F. Scott, J. R. James, Andrew Shaw Cleveland, J. D. Clark, Arthur C. C. Beaman.

4. James Croy Handley. Holds first-class board of trade certificate (steam), No. 84314. Five years in Canadian ships, four years as chief engineer Scotch and water tube boilers, coal and oil burning, five years apprenticeship, 10½ years' sea service, chief engineer S.S. *Shelburne County*.

A. V. F. Scott. Holds first-class board of trade certificate (steam); apprenticeship on the Clyde, 1918 to 1923. Seagoing experience 1925 to 1939. Service with Fairfield Shipbuilding and Engineering, Glasgow; British India Steam Navigation Company; Imperial Oil Company; United States Lines; German and Milne, Montreal; Canadian Navy; Dartmouth ferry commission, Hudson's Bay Company.

James Russell James. Holds second-class certificate (steam). Fireman, great lakes, 1923 to 1925. Chief and second engineer inland waters, coasting and foreign trade, 1937 to 1950.

Andrew Shaw Cleveland. Holds second-class certificate (steam), No. 14710 (valid in United Kingdom); first-class certificate (motor) No. 638 (Canada); four years apprenticeship machine shop; twenty-four years at sea; Imperial Oil, Markland Shipping Company, Canadian National Steamships, Canadian Navy.

J. D. Clark, Lt. Cdr. (RCN). Holds first-class board of trade certificate (steam), 1937; chartered member Institute of Marine Engineers, London, England, apprenticeship four years; marine engineer cable ships twenty years; Canadian Navy active service 4½ years; naval manager, Shelburne naval base, two years. On staff of superintendent H.M.C. Dockyard, Halifax.

Arthur C. C. Beaman. Holds second-class certificate (steam), No. 13421 (Canada); marine engineer Canadian National Steamships 1936 to 1940; Lt. Cdr. Royal Canadian Navy (‡), 1940 to 1946; assistant to commander (E) ship repairs (east coast) Canadian Navy; maintenance R.C.N. Algerine class ships (H.M.C.S. *Fort Frances*, etc.).

5. Yes A. V. F. Scott, Andrew Shaw Cleveland, J. D. Clark, Arthur C. C. Beaman.

6. Yes.

HEALTH AND WELFARE—NEWFOUNDLAND

Mr. Browne (St. John's West):

What amount was spent in Newfoundland, during the year ending March 31, 1950, for (a) old age pensions; (b) family allowances; (c) other expenditures by the Department of National Health and Welfare?

Mr. Martin:

(a) To December 31, 1949 (the accounts for old age and blind pensions for the quarterly period January 1 to March 31, 1950, have not yet been submitted by the province of Newfoundland): old age pensions, $1,448,573.71; blind pensions, $19,155.00; total, $1,467,728.71.

(b) To March 15, 1950, $9,747,121.00.

(c) To March 15, 1950: (i) health grants, $224,766.44; (ii) others, $81,502.46; total, $306,268.90.

INCOME TAX APPEAL BOARD

Mr. Diefenbaker:

1. How many cases have been tried by the income tax appeal board month by month since it was set up, and to date?

2. How many of these cases were heard in camera, and of these how many were at the request of (a) the appellant taxpayer; (b) the Minister of National Revenue?

Questions

Mr. McCann:

1. The number of appeals heard by the income tax appeal board, month by month, from the time the board commenced hearings on April 12, 1949, up to and including April 5, 1950, is as follows:

1949		
April	2	
May	5	
June	3	
July	Nil	
August	Nil	
September	4	
October	10	
November	10	
December	5	
		39
1950		
January	5	
February	6	
March	13	
April	1	
		25
Total		64

2. (a) 13; (b) none.

CANADIAN NATIONAL RAILWAYS—PAYMENTS TO OFFICIALS ON RETIREMENT

Mr. Diefenbaker:

1. How many Canadian national officials whose salaries were over $5,000 per year have upon retirement, in addition to the customary pension since the first day of January, 1949, received allowances or a lump sum or sums, or emoluments of any kind?

2. Are such payments submitted to, or approved by, the Minister of Transport?

Mr. Chevrier:

The Canadian National Railways advise as follows:

1. It is not the practice for the Canadian National Railways to grant retiring allowances to any officers in addition to pensions, as provided under the regulations of the C.N.R. pension fund. The only exceptions have been an allowance, authorized by the board of directors, to the chairman or president upon retirement.

2. See answer to No. 1.

MOTOR VEHICLES—IDENTIFICATION FORMS ON LEAVING CANADA

Mr. Brown (Essex West):

1. Is it necessary to have a permit to take an automobile into the United States on a casual visit?

2. Have there been any changes recently made in any regulations to take a motor car on such a trip? If so, what are the changes?

3. What has been the effect on traffic crossing the border at Windsor, Ontario, due to any such changes in the regulations?

Mr. McCann:

1. Yes.

2. The old form has been discarded and replaced with a new document which is serially numbered. Provision has been made for ultimate surrender and cancellation within six months instead of one year.

3. The introduction of the new form has not affected either the volume or the celerity of traffic movements at Windsor.

FISHERIES—MARINE BACTERIOLOGY

Mr. Isnor:

1. Does the Department of Fisheries carry out investigations of bacteriological changes in the ocean and ocean bottom (other than spoilage of fish after landing)?

2. If so (a) where is such work done; (b) what is the name of the person in charge; (c) how many persons are employed in this work?

3. Is the establishment of the department complete in the matter of bacteriologists? If not, does the department find difficulty in recruiting properly trained bacteriologists?

4. Has the department promoted or supported any program leading to the recruiting and training of general bacteriologists? If so, where, and to what extent?

5. Is it planned in the near future to expand training and research in marine bacteriology?

Mr. MacNaught:

1. If the wording "investigations of bacteriological changes in the ocean" means study of the bacteria of the sea and of the sea bottom completely unrelated to fish and marine products, the answer is no. The department does study microfauna in the whole environment of fish as it is applied to fish preservation.

2. Answered by No. 1.

3. No. The fisheries research board requires one general bacteriologist at the Ph.D. level. The fish inspection laboratory now being organized in Newfoundland may need one or two bacteriologists at the B.Sc. level. There is difficulty in recruiting bacteriologists with Ph.D. degrees, but not with B.Sc. degrees.

4. The fisheries research board in conjunction with the graduate school of Dalhousie university has within recent years given bacteriological training to approximately eight students who received graduate degrees from the university.

5. No.

HEALTH GRANTS—QUEBEC—HOSPITAL CONSTRUCTION

Mr. Eudes:

1. Since the health grants program came into effect how many new general hospitals in the province of Quebec have been given federal assistance under the hospital construction grant?

2. What are the names and bed capacities of these hospitals, and how many people will they serve?

[Mr. Brown (Essex West).]

Mr. Martin:

1. 17.

2.

Name of hospital	No. of beds	Estimated population served
Hotel Dieu de Montmagny	112	105,500
Hopital St. Sauveur.....	78	No data
Hotel Dieu Notre Dame Beauce	166	60,000
Hotel Dieu d'Amos	205	90,000
Hopital Notre Dame de Ste. Croix	65	85,000
Hopital Notre Dame de Lourdes	23	1,800
Hotel Dieu de Sorel	161	61,000
Hopital Ste. Marie	100	207,000
Sherbrooke	136	120,000
Harrington (Grenfell)	13	2,500
Hotel Dieu de St. Joseph	238	25,000
Hopital Notre Dame de la Recouvrance	29	6,000
Hopital de la Providence	53	105,000
Hopital Notre Dame de Charny	59	28,000
Hopital Lafleche	113	90,000
Pontiac Community	52	19,110
Hopital du Saint-Redempteur	159	50,000
	1,762	1,055,910

CENTRAL MORTGAGE AND HOUSING—SALE OF PROPERTY IN VILLE ST. LAURENT, QUE.

Mr. Coldwell:

1. Did Central Mortgage and Housing Corporation sell a property situated at 10820 Laval road, Ville St. Laurent, province of Quebec, during 1949?

2. If so, for what reason was the property disposed of?

3. What was the sale price?

4. To whom was it sold?

5. Were there any other offers?

6. If so, what were the amounts of such?

7. What was the original cost of this property to the crown?

8. How many families were living on this property at the time of sale?

9. Did Central Mortgage and Housing Corporation give the tenants of this property any understanding that their leases would be honoured and the facilities maintained subsequent to the sale?

10. What increases in rent have these tenants had to pay since January 1, 1949?

Mr. Prudham:

1. Yes.

2. The buildings were constructed to serve as staff houses for workers employed in war industries in that area. When the buildings were no longer required for war workers they were used as emergency shelter accommodation for three years, during which a substantial operating deficit was shown. When an acceptable offer to purchase was received, the buildings were sold

with the understanding that the tenants would be given the same security of tenure as enjoyed by tenants of other landlords.

3. $64,725.00 (land and buildings).

4. The Colonial Corporation.

5. No other firm offer to purchase was received.

6. Answered by No. 5.

7. $179,496.49 (land and buildings).

8. There were 63 families living on this property at the time of sale.

9. The tenants were advised by Central Mortgage and Housing Corporation of the assignment of their leases. It was pointed out to them that the new owner was subject in all respects to the provisions of the wartime rental regulations and that their occupancy was protected as to termination and rental by existing legislation. The deed of sale in favour of the Colonial Corporation included the following clause as one of the conditions to be fulfilled by the purchaser:

"To accept and take over all tenancies and lease agreements now in effect in respect to the above described premises and in so doing the purchaser does hereby acknowledge that the rentals now being charged or which may hereafter be charged must be approved by the wartime prices and trade board as such lease agreements will be subject to the wartime leasehold regulations upon this purchase being completed and the purchaser becoming the landlord in the place of His Majesty the King as represented by the Central Mortgage and Housing Corporation."

10. During the period from January 1 to October 4, 1949, while Central Mortgage and Housing Corporation acted as landlord, no rental increases were made.

QUESTIONS PASSED AS ORDERS FOR RETURNS

TOURIST TRAFFIC—REVENUE, ADVERTISING, ETC.

Mr. Murphy:

1. What is the estimated tourist revenue for Canada for the years 1948 and 1949?
2. Of the amount spent for advertising, (a) how much was spent in Canada, and (b) how much was spent in the United States?
3. What advertising firms were engaged during 1948 and 1949?
4. How was the amount spent by each during each year?
5. What magazines or papers were used for advertising in both Canada and the United States?
6. Have any film depots been opened in the United States? If so, how many, and how many showings were made, and in what cities?
7. Are any employees engaged to spend full time or part time in the United States to promote the tourist industry?
8. Is any arrangement made for the showing of Canadian films in United States theatres to promote the tourist industry? If so, in what cities were showings made, and how many?

PRAIRIE FARM ASSISTANCE—SASKATCHEWAN

Mr. Coldwell:

1. What are the names and addresses of all persons employed under the Prairie Farm Assistance Act in Saskatchewan, during the year 1949?
2. What sum of money was paid to each person as (a) salary or wages; (b) sustenance; (c) mileage; (d) other allowances, and what was the nature of the work performed by each?
3. How many persons were employed (a) part time; (b) full time, in 1949?
4. What was the total sum paid to all (a) part-time employees; (b) full-time employees?
5. At what rate are (a) salaries or wages; (b) sustenance; (c) mileage; (d) other allowances, paid to common labour, foremen, all other employees, under this act?

HOUSING—PROVISION FOR EVICTED FAMILIES

Mr. Coldwell:

1. Has any government agency made any effort to find accommodation for families under notice of eviction from accommodation administered by Central Mortgage and Housing Corporation, either at the present time or previously?
2. If so, what agencies have undertaken to do this, and what actual steps have been taken?

MOTIONS FOR PAPERS

STEEP ROCK IRON MINES—FEDERAL ASSISTANCE

Mr. Knowles:

For a copy of all correspondence between the federal government, including any minister, department, branch or official thereof, and Steep Rock Iron Mines, Limited, relating to governmental assistance, either direct or indirect, financial or otherwise, to the said company, in connection with its exploratory operations, the draining of Steep Rock lake, the company's mining operations, and the transport of its iron ore, also a copy of all agreements entered into between the federal government and the company with respect to any matters, and also for a copy of all orders in council relating to any of the matters referred to herein, dated at any time since January 1, 1939.

Motion agreed to.

STEEP ROCK IRON MINES—ASSISTANCE TO CANADIAN NATIONAL RAILWAYS

Mr. Knowles:

For a copy of all correspondence between the federal government, including any minister, department, branch or official thereof and the Canadian National Railways, relating to assistance to the said railway in connection with any of its operations having to do with the handling, loading or transporting of iron ore produced at Steep Rock Iron Mines, also for a copy of all agreements entered into between the federal government and the Canadian National Railways, and a copy of all orders in council, relating to the matters referred to herein, dated at any time since January 1, 1939.

Mr. Chevrier: Mr. Speaker, there is objection to this motion as it is worded. It asks for the correspondence between the federal government, including any minister, department, branch or official thereof, and the Canadian National Railways, on the one hand, and, on the other, all agreements

entered into between the federal government and the Canadian National Railways having to do with the subsidy to Steep Rock Iron Mines Limited. There can be no objection, of course, to the latter part of the motion, which may be allowed to pass so far as the agreement and orders in council are concerned. There is objection, however, to the first part, that is the correspondence between the Canadian National Railways and the department or departments, because that correspondence has always been considered privileged. There is no difference between that correspondence and departmental correspondence. If it is agreeable to my hon. friend the motion may pass subject to those reservations.

Mr. Speaker: Is it the pleasure of the house to adopt the motion subject to the reservations stated by the minister?

Motion agreed to.

TIM BUCK—PASSPORT

Mr. Goode:

For a copy of all correspondence exchanged between the minister and Tim Buck of the communist party of Canada in regard to passport applications, and a copy of the application for passport granted to this individual to allow him to proceed to a certain convention in Hungary.

Mr. Pearson: I would ask my hon. friend if he would be good enough to allow this motion to stand until I can have a word with him about it. The motion is ambiguous, I think, in its present form.

Mr. Speaker: Motion stands.

OLD AGE PENSIONS

PROPOSED PAYMENT AT SIXTY-FIVE ON CONTRIBUTORY BASIS WITH NO MEANS TEST

On the order:

Notices of motions. Mr. Little:

That, in the opinion of this house, the government should take into consideration the advisability of introducing an amendment to the Old Age Pensions Act so that it would be on a contributory basis with no means test and paid to all persons reaching the age of sixty-five years.

Mr. Little: This matter has been brought up already, and, the Minister of National Health and Welfare (Mr. Martin) having taken steps to have a committee appointed to look into this matter, I have decided to withdraw the motion for the present.

Mr. Speaker: Has the hon. member leave to withdraw the motion?

Motion withdrawn.

[Mr. Chevrier.]

RAILWAYS

PROPOSED EXTENSION FROM MONT JOLI, QUE., TO THE GASPE PENINSULA

Mr. J. G. L. Langlois (Gaspe) moved:

That, in the opinion of this house, early consideration should be given by the proper authorities as to the advisability of extending railway communications from Mont Joli, county of Rimouski, to the Gaspe peninsula via Matane, county of Matapedia-Matane, and Ste. Anne des Monts, county of Gaspe.

He said: Mr. Speaker, this resolution calls for the extension of railway communications from Matane to Ste. Anne des Monts only, since Mont Joli is already linked to Matane by a railway owned and operated by the Canada and Gulf Terminal Railway. I deem it proper to leave it to the government and the proper officers of our railway transportation system to decide the means by which the existing railroad between Mont Joli and Matane may be linked to the proposed extension from Matane to Ste. Anne des Monts. I feel, indeed, that the solution of this problem should be left to the competent authorities in that regard.

The railroad linking Mont Joli and Matane is thirty-six miles long. It was built some thirty-eight years ago by a group of citizens of the district who did not have much money. When the work was completed the sponsors were unable to settle the outstanding accounts, and the line was relinquished to the contractors, who formed a new company called the Canada and Gulf Terminal Railway. The cost of constructing this line was some $300,000 or $400,000. The Canada and Gulf Terminal Railway overcapitalized itself at $600,000, and received subsidies from the Canadian government and the interested municipalities. Finally it was sold for $1 million to the Hammermill Paper Company, a United States firm whose head office is at Erie, Pennsylvania. The Canada and Gulf Terminal Railway also disposed of some 143,000 acres of timber land which it had received from the province of Quebec. It therefore received a gross amount of approximately $1,600,000, and netted from these sales a profit of more than $1 million.

Since this line belonged to strangers who had no interest in the region other than their own financial success, it never served the public with any degree of satisfaction. I do not intend to elaborate on the many grievances in this respect; I merely mention them at this time to lead the discussion into the various representations made in the past in favour of the resolution which I am submitting to the house today.

Although the previous representations were not in exactly the terms I have used in my resolution, Mr. Speaker, and in some cases did not suggest the same solution to our transportation problem, they were made for the same purpose I have in mind, that is, the economic development of the region, which has been refused the bare minimum of transportation facilities—and this even in this modern age, four centuries after the first white man set foot on the soil of Gaspe. Among the early and prominent advocates for better transportation facilities in the Gaspe peninsula, I must mention the late Bishop of Gaspe, Monsignor F. X. Ross, who in 1923, at a gathering in the old church of Bonaventure, explained the needs of the region to the late Sir Henry Thornton. On this occasion the bishop concluded his remarks to Sir Henry by saying: "The fate of Gaspe is in your hands." The same short and appropriate sentence was repeated to Sir Henry's successor, Mr. Hungerford, in 1932 by Hon. L. A. Taschereau, then premier of Quebec, who wrote: "The fate of Gaspe is in your hands."

In 1927 the Canadian National authorities refused to recommend the purchase of the Canada and Gulf Terminal Railway at a price equivalent to par on the outstanding bonds, namely, $1,400,000. This figure was then deemed too high. A further refusal at the price of $828,000 was recorded in 1937. In 1941, Mr. A. J. Lapointe, then member of parliament for the federal constituency of Matapedia-Matane, made a fresh attempt, but his efforts were of no avail. One of the arguments put forward by the Canadian National at that time was competition from highway traffic. This argument was particularly weak, since it applied to a region in which the roads are virtually closed to traffic on wheels for a period of approximately six months in the year.

In 1944 strong representations were made before the committee on reconstruction of the House of Commons. During the same year an economic survey of the Gaspe peninsula had been made, and a report was prepared which was later published in the leading Quebec newspapers, such as *Le Soleil* of Quebec, which had sponsored the survey; *La Tribune* of Sherbrooke, and *Le Nouvelliste* of Three Rivers. Later this survey report, which makes excellent and informative reading, was published in a book, a perusal of which I strongly recommend to those who are interested in this problem. Both in this book and in the report to the committee on reconstruction, the purchase of the Mont Joli to Matane railway line from the Canada and Gulf Terminal Railway by the Canadian National was recommended, and also the extension of this line along the coast to Ste. Anne des Monts, and thence via the interior of the peninsula to the magnificent port of Gaspe. This recommendation was supported by La Chambre de Commerce de Matane and the federal and provincial representatives of Gaspe, Bonaventure and Matapedia-Matane. As everyone can now see, it is part of this suggestion that I have unceasingly requested the government to implement since my election to this House of Commons in 1945, and it is part of the same suggestion which the members of La Chambre de Commerce de Gaspe-Nord were strongly supporting when they came to Ottawa last year.

On August 11, 1946, at its regional congress held at Ste. Anne des Monts, La Chambre de Commerce du Bas St.-Laurent passed a resolution strongly urging the Canadian government to implement this unanimously approved petition. I forwarded a copy of this resolution to the Minister of Transport (Mr. Chevrier). At this stage of my remarks I believe it is in order to read a translated excerpt from a letter addressed to Hon. J. E. Michaud, then minister of transport, under date of June 20, 1944, by Hon. G. E. Dansereau, minister of public works in the Quebec government. It reads as follows:

Dear Mr. Michaud:

My colleague, Hon. M. Perrault Casgrain, sent me a copy of the brief which is to be presented to the committee on reconstruction of the House of Commons relative to the improvement of communication facilities in the Gaspe peninsula. I take the liberty of forwarding herewith copy of this brief.

You will surely concur in my view that the existing railroad facilities are not proportionate to the needs of this region, and I fully approve the proposed solution to this problem, that is, the construction of a new railway line from Matane to Gaspe, or the purchase of the Canada and Gulf Terminal Railway and the extension of this line to Gaspe via Ste. Anne des Monts. We must prepare for the post-war period, and, as my colleague the Hon. Mr. Casgrain stated, the development of the Gaspe region will not normally occur if appropriate commercial avenues are not placed at the disposal of its population.

Late in 1947 the Canada and Gulf Terminal Railway was sold to Canadian interests represented by the Hon. J. A. Brillant of Rimouski.

I wish to give now a brief description of the region concerned.

The distance between Ste. Anne des Monts and Matane is approximately fifty-seven miles by road. The topography does not present any obstruction to the construction of the extension of this line, the cost of which should be close to the average for such a line. Most of the population is located along the highway closely following the coast and linking Ste.

Anne des Monts and Matane, but there are also important colonization settlements ranging from ten to fifteen miles inland, all linked to the main highway by crossroads. From Mont Louis to Matane the whole population of this region is interested in and strongly supports this proposed extension to Ste. Anne des Monts.

I wish to present a table giving in the first column the population of each locality and in the second column its distance from the present railway terminal of Matane:

	Population	Distance from Matane miles
Mont Louis	1,250	96
Riviere a Claude	525	86
Marsoui	500	79
Ste. Marthe	905	74
St. Joachim de Tourelle	1,500	62
Sacre Coeur des Landes	500	70
Ste. Anne des Monts	4,200	57
St. Bernard des Lacs	529	65
Cap Chat	3,240	46
St. Octave de l'Avenir	1,210	56
Capucins	497	37
St. Paulin Dalibaire	1,200	45
Les Mechins	1,300	30
St. Thomas de Cherbourg	940	39
Grosses Roches	756	20
Romieu	470	31
St. Adelme	976	17
Ste. Felicite	1,704	12
Total population	22,202	—

The inland colonization settlements to which I referred previously in this area are as follows: Sacre Coeur des Landes, St. Bernard des Lacs, St. Octave de l'Avenir, St. Paulin Dalibaire, St. Thomas de Cherbourg, Romieu, and St. Adelme.

These figures, Mr. Speaker, do not include the population of the town of Matane and the municipality of Petite Matane. The statistics used also are not recent. If we take this fact into account, and add the natural increase in the population and the population of Matane and Petite Matane, the population should be in the vicinity of about 30,000 in the region which the extension line will serve immediately.

It must be remembered also that, to consider the whole problem, we must also take into account the population already served by the thirty-eight miles of railroad linking Mont Joli to Matane.

I now pass on briefly to the industries of the region. The lumbering industry and agriculture, with the exception of those localities situated east of Ste. Anne des Monts, where fishing takes second place to lumbering, are the two main sources of revenue in that region. The tourist trade is also quite flourishing, especially during the summer months, but further development of this important and valuable source of revenue is greatly impaired by the lack of proper transportation facilities, particularly during the winter season. Indeed, this region affords the greatest opportunity for winter sports, owing to its rugged mountainous coast and the breath-taking beauty of its landscape. These new possibilities of the Gaspe coast were discovered some years ago by the so-called "white caravan", composed of leading newspaper men of Canada, sports writers and sports experts, who had their first opportunity of seeing Gaspe under the snow.

It is not my intention today to give an elaborate review of our forest operations, since my wish is to be as brief as possible and to avoid repeating data already accurately given in the publications referred to in this exposé of our problem. However, Mr. Speaker, I would ask to be allowed to take a few minutes of your precious time to give you some figures; for I deem it to be necessary in order to correct the wrong impression created by a recent report made to the authorities of the C.N.R. with regard to this proposed extension line. I refer to the report made in 1943 from which the Minister of Transport quoted in reply to one of my numerous speeches in the house on the subject, made on August 12, 1946. I did not mention this report in the historical part of my remarks today; I wanted to avoid duplication, since I was going to make a brief reference to it at this stage. This quotation from the report refers to the actual and future development of our lumber industry. I have here the shipping program for the 1947 navigation season for the shipping points of Cap Chat and Ste. Anne des Monts only. I find that the total shipments of lumber, including spoolwood, lath, shingles, pulpwood and so forth, amounted to 57,970 million feet board measure, or 28,985 standards. With the permission of the house, Mr. Speaker, I wish to table this shipping program.

Mr. Speaker: Has the hon. member leave of the house to introduce this table?

Some hon. Members: Agreed.

Mr. Speaker: Do I understand that the hon. member would like to have the table appear in *Hansard*?

Mr. Langlois (Gaspe): Yes.

Mr. Speaker: Has the hon member leave of the house to have the table appear in *Hansard*?

Some hon. Members: Agreed.

Mr. Langlois (Gaspe): The table is as follows:

Lumber, Spoolwood, Lath, Shingles, etc. from Cap Chat and Ste. Anne des Monts

	million feet	standards
James Richardson Co. Limited, lumber, end May—S2654	6,240	3,120
James Richardson Co. Limited, lumber, end May—Local	1,000	500
James Richardson Co. Limited, lumber, end June—S2654	2,500	1,250
James Richardson Co. Limited, lumber, end June—Local	1,000	500
James Richardson Co. Limited, spoolwood, end June—Local	300	150
Le Magasin General Limitee, lumber, end June—S2595	1,130	565
North Quebec Lumber Limited, lumber, end June—S2570	1,200	600
James Richardson Co. Limited, lumber, end July Ec. 36	1,500	750
James Richardson Co. Limited, lumber, end July—Local	1,000	500
James Richardson Co. Limited, spoolwood, end July—Local	1,000	500
Le Magasin General Limitee, lumber, end July—Local	1,000	500
North Quebec Lumber Limited, lumber, end July—S2570	500	250
James Richardson Co. Limited, lumber, end Aug.—Ec. 36	2,500	1,250
James Richardson Co. Limited, lumber, end Aug.—Local	1,000	500
James Richardson Co. Limited, spoolwood, end Aug.—Local	1,000	500
Le Magasin General Limitee, lumber, end Aug.—Ec. 37	750	375
North Quebec Lumber Limited, lumber, end Aug.—S2570	1,100	550
James Richardson Co. Limited, lumber, end Sept.—Ec. 36	2,500	1,250
James Richardson Co. Limited, lumber, end Sept.—Local	1,000	500
James Richardson Co. Limited, spoolwood, end Sept.—Local	1,000	500
Le Magasin General Limitee, lumber, end Sept.—Ec. 37	750	375
North Quebec Lumber Limited, lumber, end Sept.—Ec. 38	1,000	500
James Richardson Co. Limited, lumber, end Oct.—Ec. 36	2,000	1,000
James Richardson Co. Limited, lumber, end Oct.—Local	1,000	500
James Richardson Co. Limited, spoolwood, end Oct.—Local	1,500	750
Le Magasin General Limitee, lumber, end Oct.—Local	500	250
North Quebec Lumber Limited, lumber, end Oct.—Local and export	1,500	750
Total	37,470	18,735
Add:		
Various shippers: Birch (squares), lath, shingles, etc.	5,500	2,750
Lumber, spoolwood, etc.	5,000	2,500
Pulpwood, 20,000 cords	10,000	5,000
Grand total	57,970	28,985

If in 1947 those two shipping points only could produce that much, with a shipping season cut to five months and the United States and local markets practically closed to our products owing to the non-existence of railway communication, one can easily foresee an immense increase in the production once this extension is provided.

For those who are apprehensive of the possibility of maintaining the cut of our lumber industry at this high level, I beg leave to refer to a report received in 1948 from the provincial department of lands and forests in Quebec, by the district engineer's office of the department of public works at Rimouski. This report was quoted in P.C. 702 of February 24, 1948, authorizing contracts for the reconstruction and extension of the Ste. Anne des Monts wharf, and I quote from P. C. 702 as follows:

That, according to information received from the local office of the provincial department of lands and forests for Quebec, the watershed of the Ste. Anne river and its tributaries cover an area of about 220 square miles, of which a minimum of 150 square miles is good timber land containing over 1,000,000,000 f.b.m. of merchantable softwood timber.

In recent years a good deal of prospecting work was carried out by various companies and individuals in search of oil and base metals. Important discoveries were made, and one base metal mine is in operation near Marsoui, where Candego Mines Limited operates a silver-lead-zinc mill with a daily capacity of approximately seventy-five tons.

Further mining developments of this kind are prevented owing to the reluctance of those concerned to invest capital in such an isolated region.

Before leaving this section on our industries, I strongly recommend to the officials of the Department of Transport and of the Canadian National Railways that they make use of the information in possession of the federal Department of Labour, which information was gathered last fall in the course

of a survey of labour conditions in my constituency, made at my request by competent officers of that department.

I said a while ago that Ste. Anne des Monts was to be the proposed terminal for this railroad extension, and it is proper, before going into the general considerations that I wish to make before closing my remarks, to give some particulars of its strategic position, since it is to play a very important part in the future development of the Gaspe peninsula.

Located some fifty-seven miles east of Matane and some 146 miles west of Gaspe, Ste. Anne des Monts is the seat of the provincial constituency of Gaspe North. There is a courthouse and jail, a hospital, two convents for girls, and a college for boys. It is the terminal of the Matane-Ste. Anne des Monts mail contract, and the starting point for the Ste. Anne des Monts-Fox River mail contract, a distance of some 114 miles. Being approximately ten miles from Cap Chat and St. Octave de l'Avenir, four miles from St. Joachim, and within some seven miles of Sacre Coeur and St. Bernard des Lacs, there is a population of 10,519 within a radius of some ten miles.

The Perron boulevard, which passes through, links it to Matane and Gaspe. From Ste. Anne des Monts, and proceeding in a southeasterly direction, there is the road leading to the Gaspe national park. This road follows the Ste. Anne des Monts river, and there remain only some eleven miles of road to be built to connect it with the road following the Cascapedia river as far south as New Richmond, county of Bonaventure. Once completed this road will cross the whole Gaspe peninsula, and the distance between Ste. Anne des Monts and New Richmond will be approximately eighty-five miles, through a real paradise for game and fishing. There is also some sixty miles built on the road which will eventually connect this Ste. Anne des Monts-New Richmond road with Gaspe, thus rendering possible access to Gaspe through the interior of the peninsula.

Ste. Anne des Monts is being provided with a sheltered deep-sea commercial wharf, the construction of which, it is expected, will be completed this summer.

Ste. Anne des Monts is situated some forty-five miles by sea from Seven Islands on the north shore of the St. Lawrence, which will be linked by rail with the Ungava iron ore centres, for which Seven Islands will become the sole shipping point. This most advantageous position of our proposed railway terminal, namely Ste. Anne des Monts, cannot be overlooked by anyone studying its possibilities of future development. When one knows that a regular service by ship can easily be maintained twelve months a year between Seven Islands and Ste. Anne des Monts, one can easily foresee the great advantage it would be if Ste. Anne des Monts were linked by rail with the industrial centres of Canada and of the United States.

Seven Islands possesses no other means of communication with the rest of the world than the St. Lawrence river and its canal system, which are navigable only from the end of April to the end of November. This shipping point is therefore closed to the traffic by water for five months in every year. Even if Seven Islands or Ste. Anne des Monts were not considered quite safe for year-round water traffic—that I do not believe—it is commonly admitted, and rightly so, that the ordinary type of ship, without any special assistance from icebreakers or otherwise, could use these two ports until late in January and as early as the end of March. Thus the use of Ste. Anne des Monts as a point for forwarding the new Quebec iron ore would in this case increase the shipping season for this important metal by three months in every year. The same remarks apply of course to the ore coming out of Havre St. Pierre, where the Quebec Iron and Titanium Corporation are preparing for extensive mining operations, the output of which will be directed towards Sorel.

It might be argued that this suggested method of shipping the ore from Seven Islands and Havre St. Pierre via Ste. Anne des Monts would not be economical, but I strongly feel that it is the duty of our Canadian government to provide year-round shipping facilities for this most important metal in case of national or international emergency. Moreover, it must not be forgotten that Ste. Anne des Monts will in any event become the natural outlet for the manpower, products and materials needed for the new Quebec mining developments.

I wish to close my remarks, Mr. Speaker, by referring to my previous speeches made in this house on this subject, and more particularly to my speech of August 12, 1946. I refer to this latter speech because I then gave general aspects of the problem and referred to publications which cannot be overlooked by anyone desirous of giving serious consideration to my resolution.

Indeed, in my opinion it is not improper at this stage again to draw the attention of my colleagues to the inventory made in 1937 by the Department of Trade and Commerce of the province of Quebec, entitled "Inventaire des Ressources Naturelles, 1937, Gaspe" and

to another important publication published in 1940 by the American Association of Geologists, entitled: "Possible Future Oil Provinces of the United States and Canada." As I have stated on many previous occasions, this latter publication referred to the Gaspe peninsula as one of the richest regions of Canada, and perhaps of America, in petroleum fields.

It is not my wish to indulge in repetitions of my previous statements with regard to oil possibilities in Gaspe, but I wish to give a brief summary of a recent report on the Gaspe petroleum developments made by Mr. I. W. Jones, chief of the geological surveys branch, Quebec, dated February 23, 1950. This report mentions that four companies are now searching for oil in Gaspe: Gaspe Oil Ventures, Limited; Continental Petroleum, Limited; Peninsular Oil Corporation Limited, and Quebec Oil Developments. These companies have special exploration licences ranging from 8,496 acres to 74,180 acres. Three wells were being drilled in 1949, with the following results: Continental Gaspe No. 1, Galt township, depth 1,380 feet; Quebec Oil No. 1, Joncas township, depth 349 feet; Peninsula Deardorf No. 1, Holland township, depth 4,126 feet. Work was also done on two other wells as follows: Imperial Gaspe No. 1, Fletcher township, depth 6,360 feet; Venture No. 3, Galt township, depth 2,399 feet.

Small quantities of oil were found in Venture No. 3, depth 2,297 feet, up to one gallon per day, and in Continental Gaspe No. 1, depth 928 feet, one-quarter to three-quarter barrels, or 10 to 30 gallons per day. On Imperial Gaspe No. 1 stains of oil were seen on rock at about 2,600 feet.

In November and December, 1949, these three wells were acidized by introducing acid in the well, as is the current practice in oil-bearing regions, especially where there is limestone. The acid acts on the lime and makes the rock more porous, thus facilitating the flow of oil.

Acidizing of Venture No. 3 and Continental Gaspe No. 1 increased the flow of oil to about one to four barrels per day. Gas is also coming out of Continental Gaspe No. 1.

Approximately half a million dollars have been spent in the search for petroleum in Gaspe during recent years, but this amount is not great in comparison to expenditures made in search for oil in other parts of Canada. One has only to bear in mind that Imperial Oil alone spent more than $25 million in Alberta before attaining major success, to realize that our search for oil in Gaspe has been done so far on a very minor scale.

The main difficulty in increasing this search for oil is the lack of transportation facilities. This is stressed in all the reports made by mining engineers connected with drilling or searching for oil in Gaspe peninsula. Also there is the normal and comprehensible reluctance of those interested in investing further capital in a region devoid of such facilities.

In addition to the silver-lead-zinc mine already in operation in the region to which I made reference previously, it is interesting to mention the results attained in the prospecting operations for copper.

The 1949 annual report of Noranda Mines Limited lends support to the view that their property in Gaspe is taking on real importance. Mr. H. L. Roscoe, general manager, confirmed current reports that the drilling done in 1949 is quite encouraging. Four bands of ore, overlying each other, have been located, with the lowest of these apparently running the best grade. Extensive drilling has been done, and the diamond drill program is continuing steadily.

Drilling before the war indicated 35 million tons of material at Noranda's Gaspe Copper Mines Limited, subsidiary, averaging 0·9 per cent copper. Drilling in 1948 added a further 6 million tons of 1·8 per cent copper grade. Results since then have continued encouraging. Deepening of old holes through 150 feet of barren material resulted in exploration getting into better grade.

The property of Gaspe Copper Mines Limited is located at Needle Mountain in Holland township. As it is not far from the St. Lawrence, construction of a railway to carry copper concentrates to deep-water wharves would not present any great problem.

Though as yet this has not been officially confirmed by either the company or the provincial government, Gaspe Copper Mines Limited have already obtained the permission to build a dam on the Magdalen river in order to supply electric power to their mining operations. There are even rumours that the contract for the building of this dam has already been awarded to a construction company. The tonnage drilled in 1949, some 7 million tons, has an average of better than two per cent copper, and the total tonnage drilled now amounts to over 48 millions tons.

I tabled a few minutes ago a report showing shipments of lumber made in 1947 from Cap Chat and Ste. Anne des Monts. The shipments from these two shipping points amounted to only 57,970 million board feet or 28,985 standards. The lumber industry is the most important one in our region, and our production could be increased if our producers could ship all year round to markets

in Canada and in the United States. As it is, our shipments are confined to a period of five months only, and the American markets are practically closed to our producers owing to lack of railroad facilities. In this respect it is worth noting that since the American markets are restricted to dressed lumber, our producers cannot sell on this market, because dressed lumber cannot be shipped by water without deterioration in transit.

I therefore strongly urge that a complete and thorough survey of the proposed extension be made now, so that the construction may be started in the very near future. I repeat that there is a natural obstruction to the construction of this railroad line, and the cost of building it would be relatively low.

Upon the construction of this extension depends the assurance of a sound economy for this region of Canada which I have the honour to represent in the house.

In conclusion, through you, Mr. Speaker, I say to the minister, to the government and to my colleagues in this House of Commons: "The fate of Gaspe is in your hands".

(Translation):

Mr. A. Phileas Cote (Matapedia-Matane): Mr. Speaker, if I resort now to my native tongue it is, first of all, to ensure its continued use, and maybe also because in this parliament it is unusual to speak French and to be understood by the Prime Minister of Canada (Mr. St. Laurent), as is the case now, and also, I hope, by the leader of the opposition (Mr. Drew). It hardly seems possible that having spent twenty-five years of wedded life with his charming wife, who speaks and understands French so well, he would not have learned the beauties of the French language.

I have no wish to delay the progress of the debate on this motion which has already been discussed by the house. Still, I believe it to be my duty, as the member for Matapedia-Matane, to show this honourable house that the people of my constituency are broad-minded. If there were to be any opposition to this measure it should normally come from the member for Matapedia-Matane and from the splendid inhabitants of the town of Matane which is the terminal point on that line.

I would also point out to the Minister of Transport (Mr. Chevrier) that we who live in Matane, which is located in the lower St. Lawrence region, are not opposed to his St. Lawrence seaway project, although some claim that to make the St. Lawrence navigable as far as Toronto would be detrimental to Quebec. I make it a point of telling him that we have no objection to the Matane railway going as far as Ste. Anne des Monts. The Matane board of trade and the Matane city council have already furnished evidence thereof. As their representative, I am anxious to reiterate their wishes.

However, if I may be permitted—I direct this request to my good friend and colleague from Gaspe (Mr. Langlois) and my good friend the Minister of Transport—to make a slight correction in the motion although I do not intend to move an amendment, I would say that before pushing the Matane railway as far as Ste. Anne des Monts, the Canadian National would be better advised to start by buying the Mont Joli-Matane railway, for the simple reason that this line has never given satisfactory service to date. It was the centre of a series of speculations which may have served private ends, but were never in the interest of the users.

For my part, after the election of 1945, I had to fight to get the company to reduce its freight rates. Thank goodness I succeeded, but only after many sacrifices and numerous attempts. The freight rates between Matane and Mont Joli were brought down to the level of the C.N.R. Since then, the company has been reorganized. It made a few improvements, but I am convinced, as are many others, that because of its set-up it is physically impossible for the management to give the people concerned with this 26-mile stretch the kind of service provided in other parts of the country.

If, after buying this part of the railroad from Mont Joli to Matane, the Canadian National should want to continue to operate this railway, we, the people of Matane, would surely have no objection to their doing so.

I wish to add something to the splendid speech made by my colleague.

(Text):

He has surveyed the situation thoroughly. I am not going to repeat anything that he has said, but if I am not mistaken he may have overlooked two small details which I believe are of paramount importance. One is that I do not see why there should be anything scandalous in an endeavour on the part of the government or the C.N.R. authorities to take over a stretch of line twenty-six miles long, and even extend it to Ste. Anne des Monts, with low revenue from freight rates and a small volume of business for a period of time, when the same thing was done at much greater expense for Churchill. I will not mention of course the great success that my colleague, the hon. member for Chapleau (Mr. Gourd) had in having a line constructed there. I hope it will prove to be an asset. Even if the extension now proposed is not such a great

financial endeavour I would say that it should be done not only on a sentimental basis but also on the ground of national importance. I emphasize that because such a course cannot be followed by parliament, by the government or even by the C.N.R. unless the matter is proven to be of national importance.

I should like to emphasize that point because I think it was overlooked. It is of course of national importance. It is of national importance on the basis of sentimental loyalty to this part of our country. No one should forget for a moment—and I hope no one does—that the Gaspe peninsula is the cradle of this continent. I think it should be done if only as a gesture of recognition for those who have pioneered in that area for so long a period of time and nearly starved to death. I think recognition should be granted to them in this way because it is the proper time and way to do it. It is the most vital thing that can be done to bring about proper communication in order to assist in the development of that particular part of the province of Quebec and Dominion of Canada.

The second reason why it is of national importance is that we must build up Canada from one end to the other. That is becoming more apparent every day. It should be done to strengthen national unity and in order to give this part of the country a break and the opportunity to develop its natural resources. The natural resources of that particular area, as has been demonstrated by my colleague, are of such great importance that they should be drawn to the attention of the membership of the house, and hon. members should realize that they will do no harm to anyone but on the contrary will do good to everyone by helping to develop that part of our country.

I do not want to emphasize any of the angles that have been so brilliantly expounded by my colleague. I believe it is not necessary to say much more to establish that the development of this region is of national importance, that the development of a railroad there is of national importance, and the same thing should be done for Gaspe, with its more brilliant prospects, as was done for Churchill.

Mr. Graydon: You will have to put the Conservative party in power to get that.

Mr. Martin: That is impossible.

Mr. Cote (Matapedia-Matane): This will not wait that long.

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, perhaps I might add something to the two brilliant speeches that have just been delivered by the hon. member for Gaspe (Mr. Langlois) and the hon. member for Matapedia-Matane (Mr. Cote). At the outset I should like to commend the hon. member for Gaspe for his brilliant advocacy of this resolution. This is not the first time he has placed a resolution of this nature on the order paper, and neither is it the first time that he has discussed at some length the merits of an extension of the railway along the north shore of the Gaspe coast. I commend him for the great confidence he has in his constituency, that part of the province of Quebec which is so dear to him. I should like also to thank the hon. member for Matapedia-Matane (Mr. Cote) for his contribution to the debate in both English and French. The resolution now before the house reads:

> That, in the opinion of this house, early consideration should be given by the proper authorities as to the advisability of extending railway communications from Mont Joli, county of Rimouski, to the Gaspe peninsula via Matane—

I pause there for a moment, because on reaching this point anyone reading the resolution would immediately feel that it should be accepted, for the simple reason that there is now an extension of a line from Mont Joli to Matane, namely the Canada and Gulf Terminal. So on the strict interpretation of the resolution thus far I believe the house would have to accept it. But then it goes on to say:

> —county of Matapedia-Matane, and Ste. Anne des Monts, county of Gaspe.

I take it what the hon. member really had in mind was the construction of a line from the present terminal at Matane to Ste. Anne des Monts; and on that point I think I should bring to the attention of the house two matters which I believe are of great importance in reference to railway construction. The Canadian National Railways, with which I am particularly associated and for which as a rule I speak in this parliament, approach projects of this nature from the standpoint of certain particular aspects. That is, before entering upon a project of this nature the Canadian National would want to know, for instance, whether the natural resources were such that the line would be a paying proposition; or, again, whether the density of traffic would be such that the line, if constructed, would be profitable. They also would like to know the cost of the project since there are lines which because of the terrain cost tremendous amounts of money, while others cost much less. As a rule the Canadian National looks upon new construction in a businesslike way, and when it can it likes to obtain some sort of guarantee that the minimum volume of traffic to be expected would justify consideration of the project.

What I have said heretofore deals with the attitude taken by the Canadian National

Railways. Over and above that, however, there are other considerations which must be looked into. New railway construction, I think, can be placed in two categories. The first is construction which the Canadian National feels it should recommend on the basis that it will improve or round out the system, or that it will serve additional territory, or that it will act as a feeder to an established line, and also that it can be economically justified. The second category is the construction of what might be regarded as colonization or development lines, which the railway could neither construct nor operate without assurance that any losses would not have to be borne through its ordinary operations.

That, I think, is the general approach one must make to new railway construction. If I were to leave it at that, however, I would be challenged, as indirectly as I was challenged a moment ago by the hon. member for Matapedia-Matane, who asked, "Well, what about the case of my hon. friend from Chapleau (Mr. Gourd), who was able to have a line constructed from Barraute to Kiask Falls?" The position with respect to that line was entirely different, I believe. The situation with regard to the Barraute-Kiask Falls line was that the Canadian National Railways obtained in advance the assurance of a minimum volume of traffic which would render the line a paying proposition. As far as the Churchill railway is concerned, I would say that came within the second category I mentioned a moment ago; and I should like to discuss that point in a moment as it relates to the extension to which my hon. friend has referred.

Dealing now with the new construction which my hon. friend would wish to have carried on from Matane to Ste. Anne des Monts, one must first look at the cost. The information I have is that the cost would be somewhere in the neighbourhood of $8 million. That is a substantial amount of money to expend on new railway construction. I do not want to refer to the route that would be followed, because the hon. member for Gaspe (Mr. Langlois) dealt with that. He also dealt with the question of population and with the natural resources; and unquestionably there are extensive natural resources in that part of Quebec, as well as a substantial population. Whether or not the density of traffic and the business that would be obtained through the construction of this line would be sufficient to ensure its economical operation is another matter. From the studies made by the Canadian National it would appear that such would not be the case. It would seem that the construction of a railway in that area as an entity separate from the Canada Gulf and Terminal would result in a substantial operating deficit. Assuming that all the traffic passing over the Canada Gulf and Terminal interchanged with the Canadian National, if it were called upon to construct this new line, is new traffic, the deficit to which I referred a moment ago would be cut only in half.

The conclusion from the remarks I have made, of course, at first sight would be that from the standpoint of prospective earnings the line in question could not be operated at a profit, nor would it have sufficient feeder value to justify it on that basis. However, at the outset of my remarks I said there were two categories in which new constructions could be placed, those which from the point of view of the Canadian National might be expected to be profitable, and those which should be considered from another aspect. So the whole question of whether or not this railway should be constructed would depend upon whether it could be justified upon grounds other than those I have mentioned. It may very well be that the arguments advanced by the hon. member for Gaspe would warrant additional consideration to that already given. I am happy to be able to say to him that following his remarks and those of the hon. member for Matapedia-Matane I shall be glad to give consideration to these additional reasons which he has placed upon *Hansard*. It may very well be, and I think it is so, that the time is not now—by "now" I mean immediately—for the construction of a railway such as this. I think the day will come when it will be possible to give more careful and more immediate consideration to the construction of this line. When that day is here I can assure my hon. friend no one will be happier than I, should I occupy the seat and the position that I occupy now, to introduce in the house a bill which would give to the population of the Gaspe coast a line in accordance with their wishes, in accordance with the natural resources, the density of traffic and the population, and which would serve the needs of the people.

In conclusion I return to the resolution, and say that I do not think there can be much objection to its acceptance since the larger part of it at least is completed, that is the part which refers to the line extending from Mont Joli, county of Rimouski, to Matane. In so far as the other part is concerned, I have no hesitation in declaring to you, Mr. Speaker, that the extension referred to will receive proper and I hope adequate consideration.

Mr. Graydon: I said we would have to do the job.

Mr. Martin: I told you that you would never have the chance.

Mr. Deputy Speaker: If the hon. member for Gaspe (Mr. Langlois) speaks, he will close the debate.

(Translation):

Mr. J. G. L. Langlois (Gaspe): Mr. Speaker, I do not intend to add anything to the remarks I made at the beginning of this debate. I only wish to thank my hon. colleague from Matapedia-Matane (Mr. Cote) for the generous support he gave me when my resolution was introduced. My hon. colleague had already given me all the support I needed when this request was made. Indeed, last year, I was delighted when, with his usual eagerness, he agreed to join me in meeting C.N.R. authorities. On that same occasion, my hon. colleagues from Rimouski (Mr. Belzile) and Bonaventure (Mr. Arsenault) also gave me their valuable support.

I want to tell my colleague from Matane that he has my unconditional support in so far as the objections, restrictions and conditions he has made are concerned, and I want to point out that, from the beginning of my remarks, I have stated that I was willing to let the authorities concerned, that is, the federal government and the Canadian National Railways, decide how they could most profitably make the people of the Mont Joli to Matane area benefit from railways already at their disposal.

I should now like to answer the remarks made by the Minister of Transport (Mr. Chevrier) who, a while ago, pointed out that that part of the railroad mentioned in this resolution has already been built. If my resolution mentions the building of a line between Mont Joli and Ste. Anne des Monts, it is precisely because the line joining Mont Joli to Matane belongs neither to the federal government nor to the Canadian National Railways.

That is why I am of the opinion that the government itself, and not a private company, must take over, not only the line between Mont Joli and Matane, but also the one which it is proposed to build to serve the district between Mont Joli and Ste. Anne des Monts.

I thank the minister for having extended his support to this resolution. I also wish to thank him for having assured my colleague from Matane and myself that our remarks will be carefully considered by his departmental officials and that he will give them his closest attention.

(Text):

Motion agreed to.

SOLDIER SETTLERS

PROPOSAL TO GIVE CLEAR TITLES TO VETERANS WITH UNPAID BALANCES

Mr. Robert Fair (Battle River) moved:

That, in the opinion of this house, the government should take into consideration the advisability of giving clear titles to all soldier settlers of great war I who hold land under contract with the soldier settlement board.

He said: In moving this resolution today, I express the hope that this is the last time it will be necessary for me or anyone else to deal with this question, and that the government will see to its immediate solution. This matter has been dealt with from time to time since 1937, and it is now a little more than thirty years since these settlers first took up their land. I feel it is long past the time when a disposition of this matter should have been finally made.

In this house a great deal has been said about the sanctity of contracts. It has been mentioned by cabinet ministers and others, and this afternoon I am basing my appeal on the sanctity of contract. I have before me a copy of an address delivered by the late Sir Robert Borden, then prime minister of Canada, to the Canadian expeditionary forces in 1917. He said:

> You are men actually facing the enemy day and night. You are suffering greatly from fatigue, overstrain, and lack of rest. The marvel of it is that men could undergo such a strain without breaking; but you have never yet broken and history will appreciate that in days to come.
>
> You men are about to enter one of the most serious engagements that ever faced the Canadian corps. I cannot, at this moment, give any information as to where this attack will be staged, whether it be successful or not, it is to be borne in mind that it will not be an easy success . . . We feel confident that you will succeed where others failed; for you have never yet failed in anything you have set your hand to, as a Canadian corps.
>
> You can go into this action feeling assured of this, and as the head of the government, I give you this assurance; that you need have no fear that the government and the country will fail to show just appreciation of your service to the country and empire in what you are about to do and what you have already done.
>
> The government and the country will consider it their first duty to see that a proper appreciation of your effort and of your courage is brought to the notice of the people at home, and it will always be our endeavour to so guide the attitude of public opinion, that the country will support the government to prove to the returned man its just and due appreciation of the inestimable value of the services rendered to the country and empire; and that no man, whether he goes back or whether he remains in Flanders, will have just cause to reproach the government for having broken with the men who won and the men who died.

In my opinion, Mr. Speaker, that is a definite promise on behalf of the government of that day. It is a promise that has not been kept, the fulfilment of which I hope the people of Canada will see is no longer delayed. The soldier settlement legislation was passed in 1919. As a result of that legislation, which some people thought was good and which was passed hurriedly by men who had no previous experience in the matter but were merely interested in getting the ex-soldiers out of the towns and cities, 25,017 veterans were given average loans of $4,358.40 each. These loans totalled $109,034,331.

For the information of those who have not heard this argument before, I might say that those soldier settlers were beaten before they ever started. Immediately after the war the price of land was high, as were the prices of grain and livestock. At that time—and I am not saying this from hearsay because I was in the country then—wheat was selling for as high as $3 a bushel; milch cows were selling for as high as $125 to $150 each; and horses for as high as $500 a team. Again let me state that in many cases the horses that were purchased by the soldier settlement board and sold to the settlers should have been used for crow bait rather than for the purposes of those veterans; the same might be said of some of the cows and other stock that were purchased and also a good deal of the farm machinery was ready for the scrap-heap.

I have here a statement or "authority to sell chattel equipment". I might say that the livestock all belonged to the soldier settlement board, and the settler could not sell any of it without authority from that board. This is an authority granted to one George Connon, Junior, of Hazeldine, Alberta, a man in my constituency, who gave me this paper with permission to use it if I felt that I should do so. This is an authority granted to Mr. Connon to sell some livestock, and this is the appraisal placed upon the livestock by the officials of the soldier settlement board:

1 cow, 1,100 pounds	$10
1 black cow, 10 years old, 1,000 pounds	10
1 roan cow, 9 years old, 1,000 pounds	7.50
1 red cow, 9 years old, 1,000 pounds	10
1 cow, tan and white, 10 years old	10
1 cow, red, 8 years old, 1,000 pounds	10
1 cow, black and white, 8 years, Holstein	10
1 cow, black, 8 years old	10
1 roan bull, 3 years old	10
2 yearlings, 1923 increase	20
Total	$107.50

That meant eleven head of cattle for $107.50, less than the price of one animal four or five years prior to that time. I stated that these men were beaten before they ever started out, and I think that statement from one of the settlers or that official paper of the soldier settlement board will bear out the statement I have made.

Another thing I see wrong with the contract was that, while there was a definite stated price in the contract that the settler should pay to the soldier settlement board, there was no guarantee whatever of the price that the settler would receive for his grain or livestock as time went on; and we know from sad and expensive experience that shortly after war broke out prices broke also and as a result the soldier settlers and many of us out in the country at that time had quite a hard time to get enough to eat, without paying interest, taxes or any of the principal of our debts.

Another injustice in the act at the time was I believe section 57, which took away from the settler the oil rights that went with his holdings. I am glad to say that some of this has since been restored. Back in 1937 or 1938, I am not sure which, legislation was brought in which would restore those oil rights to the settlers who were entitled to them; and while the legislation went through this house without much discussion, when it went to the other chamber we find that it was conveniently sent to a committee, and in that committee certain members, led by Right Hon. Arthur Meighen, saw to it that those oil rights were not restored to the settlers. The result was that it was not until a couple of years ago, since the present Minister of Veterans Affairs (Mr. Gregg) came into office, that these men have been able to get back that right. In that case I feel that the soldier settlement board might just as well have sold buildings off the farms as to have taken away the oil rights that went with the land.

Shortly after the settlers bought their land, as I stated before, prices dropped. We also had a series of poor crops out in that part of the country. As you know, the settlers were mainly located in Saskatchewan and Alberta. As soon as the prices dropped and the crops were short, we had a number of failures. Many of the settlers at that time who were wise enough, who could see far enough ahead —or perhaps through disgust—got off their farms and made a living in other occupations; but many of the others who were determined that they would some day own their land stayed with it, and are still staying with it. I shall deal later with the number who are still on the land.

From practical experience I know that some grades of oats sold for as low as three cents a bushel and in many cases where farmers hauled grain to the elevator and shipped it out in carload lots, after it got down to Fort

William they had to turn in either an additional car of grain or some cash in order to pay the freight. The farmers in general went through those conditions, and the soldier settlers of course were not in a condition to stand those things.

Mr. Blackmore: Will my hon. friend permit a question?

Mr. Fair: Yes, certainly.

Mr. Blackmore: Can he tell us whether or not those low prices were given in the depression or before the depression?

Mr. Fair: In the depression, mainly. The government felt that a mistake had been made and certain debt reductions were made, including a cut of interest. But it will be readily understood that while prices like those existed, and they had existed for a good many years, the reduction did not keep pace with the losses sustained by those settlers. As a result, instead of getting out of debt, they were going deeper and deeper into debt and they had no way of helping themselves.

A little later on, the government passed legislation providing for a dollar for dollar bonus on arrears. This would have been fine if we had been getting either good crops or good prices; but, as I stated before, all during the depression years good crops and good prices were in a few instances only experienced out there, and the people were not able to take advantage of the dollar for dollar bonus. It was only applicable on arrears and the people had a great deal of difficulty in finding the money with which to buy enough to eat, without paying taxes or interest or principal on their debt.

Hon. members will recall that by 1939—that is twenty years after this legislation was passed—we had the start of another boom, and that start was caused by the outbreak of another man-made war. Many of the old settlers who were in good enough physical condition joined up again, and went and served their country for the second time. Those who were not in good enough physical condition to join up stayed home, worked long hours, and produced food and sent it overseas, besides supplying our own needs. At that time, I might say, they were not aware of the income tax collections that would be made a little later on in 1946, 1947, 1948 and so on covering the years when they had worked long hours and when they should have been taking life easy.

There is another injustice that many people will not believe. In those cases where a soldier settler enlisted and his wife and family stayed on the home farm, and there was no provision being made for the settler's wife to keep up the payments while he was away, the then director, Mr. Murchison, under the supervision or the lack of supervision of the then minister of mines and resources (Hon. T. A. Crerar), under whose department the legislation was administered, saw to it that a certain amount was deducted each month from the allowance that was made to the wife so that the debt of the settler might be taken care of while he again served his country. Many people will not believe that, but if there is any doubt about it let them look up order in council P.C. 138/1936, passed on March 19, 1941. I am just going to read the very meat of this.

It says:

> Accordingly the board recommend that notwithstanding any provision to the contrary contained in any of the regulations providing for payment of dependents' or marriage allowances in respect of dependents of members of the Canadian armed forces, that in all cases where the dependents of an enlisted person continue to occupy the farm for which such person is indebted to the director of soldier settlement and in respect of which the contract terms are not otherwise satisfactorily provided for, there may be deducted from the dependents' or marriage allowances amounts sufficient to provide for payment of taxes levied by the local taxing authority in respect of the property in question and interest accruing annually on indebtedness to the director of soldier settlement, such deductions to be made monthly and in no case to exceed $20 per month except with the consent of the dependents concerned.

On many occasions we have pointed out to the government that the then director of soldier settlement was not a fit person to be in charge of operations, particularly when his minister, whose name I have already mentioned, and who is now in another section of this parliament enjoying security for the rest of his life, was not minding his business. After some time, and a whole lot of pressure, the government finally did remove this director, Mr. Murchison, and I think—in fact, I am sure—that many of the settlers were quite relieved as soon as that removal took place. I believe we now have a man as director who is a businessman, a man who looks after human values rather than dollar values, and I feel that he is making a success of his work.

Because of the inability of the settlers to secure clear titles there was a movement started back in 1937 in Lloydminster, to have those clear titles granted without any further payments, and the Soldier Settlers Association of Canada was formed a little later on at Saskatoon. That association has had several delegations down here, I believe on five different occasions, and they have done a lot of work in an effort to secure clear titles. We have had several discussions here in the house. Delegations appeared before the veterans affairs committee on two or three occasions. Let nobody think that

this cause is not being supported by many people all across Canada. Perhaps a few names will suffice to back up my argument. More than 12,000 signatures were secured on a petition for this purpose. A resolution was passed by the Alberta legislature and also by the Saskatchewan legislature; by the Alberta farmers union; by the Saskatchewan association of rural municipalities; the Saskatchewan wheat pool; the united farmers of Canada, Saskatchewan section; the united farmers of Alberta; the Alberta branch of the Canadian Legion; the executive of the British Columbia branch of the Canadian Legion and many others asking that clear titles be granted. We also had a recommendation by the dominion command of the Canadian Legion asking that certain reductions be granted. The hon. member for Acadia asked the question and the then president of the Canadian Legion said that he would not object to clear titles being granted.

The last presentation was made on the 17th of June, 1948. At that time, I am very glad to say, the veterans affairs committee, a committee that has done its work without any political wrangling, gave this delegation's brief favourable consideration, and when the report was presented to the house later on they had this to say under the heading "Soldier Settlement Act":

> Your committee recommends that all indebtedness of soldier settlers under the provisions of the Soldier Settlement Act, 1918, be remitted, and that they be granted clear title to their holdings.

Right here I want to pay tribute to the then chairman of the committee, the hon. member who is now parliamentary assistant to the Minister of Veterans Affairs. He was very sympathetic, and when I brought this matter up first in the house some years ago he was one city member who supported the idea because he felt it was good business. It would cost much less to give them clear title than it would to continue collecting from and persecuting these people. In spite of the fact that the veterans affairs committee recommended that clear title be granted, the government has not up to the present time seen fit to grant clear titles.

Mr. Graydon: Why is that?

Mr. Low: That is what we should like to know.

Mr. Graydon: So would I.

Mr. Fair: Sanctity of contract again! Sanctity of contract; that is the only reason that I know of. I remember going into the office of the then minister of finance, the Right Hon. Mr. Ilsley, with a delegation from the Soldier Settlers Association. The first thing he fired at us, after the suggestion was made that clear titles be granted, was that these men had made a definite contract with the government, and it was the government's business to see that those contracts were fulfilled. I feel quite satisfied that that was not a sufficient argument. It is not a sufficient argument because the government saddled these men with contracts which it is impossible to fulfil. The men did their best on practically every occasion to fulfil their contracts; but because of policies laid down by the government and because of crop failures, and in many instances because of sickness also in the settlers' families, they were unable to carry on.

I must give the Minister of Veterans Affairs and the government credit for coming to the relief of the settlers to some extent. During the past two years they have placed certain amounts in the estimates for the purpose of relieving distress in those cases. They have begun to deal with the most needy cases. When the settler cannot pay his debt, and many of them are not in a position to do so, they give him a chance to square his debt by paying a nominal amount.

Certain reductions were made last year. In 1949, 911 altogether paid off their debts. They paid off $830,308.71. Of those we find that 692 got reductions of $269,311.95. The individual average would be $389.18. But in spite of these reductions, and in spite of that large number having paid off their debt, we find that on the 1st of January, 1950, there still were 1,634 of those settlers who owed $1,838,303.18, or an average of $1,125.

As I said before, the amount advanced to them more than thirty years ago was $4,358.40, and they still owe a little better than 25 per cent, or $1,125 at the present time. Somebody may come back and say 911 paid off their debts in 1949, and in less than two years the rest will be able to clear up theirs. That is not so. Do not forget that the average of the 1,634 who still are in debt to the board is $1,125. Knowing conditions as they are, I am quite satisfied that these men will not be able to pay off their debts.

Some claim that these farmers should have paid their debts. Having been on the land myself since 1914 I know the conditions under which farmers work. Some of those conditions, of course, were not the fault of the government; but many of them were. Some of the men who were unsuited for farming were placed on the land. Land, livestock and implements were purchased at high prices. In some cases the land was in drought or frost areas. Prices of agricultural products reached a very low point, and interest rates which had been originally five per cent on current

account were seven per cent on arrears. Let us compare that with the rate of interest to the veterans under the present Veterans Land Act, where they are being charged three and one-half per cent. Many of the settlers, who have written to me a good deal about the matter, say, "Let the government give us the same rate of interest they have given the veterans of the last great war. There is no reason why we should pay more. Then we would have money coming from the government, instead of having the government collect from us." That is one argument the government might use if it wished to clear up this trouble for the benefit of these old veterans.

Then let me turn to some of the reasons why these titles should be granted now, rather than having to wait any longer. I was going to say when I began to speak that before all the debts are cleared up this resolution will be eligible for the old age pension. Knowing many of the old settlers I feel that unless some action is taken many of them will not be there, in person, to receive their clear titles when they are granted—that is, if the government ever does make up its mind to do so. I believe the average age of those men at the present time is about sixty years, and some are considerably more than that, reaching the age of eighty.

The scheme was hastily improvised and was intended as a rehabilitation measure. However, for reasons I have already given it has turned out to be one of persecution. If those men were not able in thirty of the best years of their lives to pay off their debts, what hope is there of being able to do so in the near future? The prices of farm products are going down while the cost of living and farm operating costs are going up. I feel that again the cards are stacked against those old settlers. Many who paid off their debts in 1948 and 1949 did so at great sacrifice to themselves in order to take advantage of the government's offer of debt reduction. In having done so they have denied themselves and their wives and families many of the comforts which should belong to those veterans who went overseas to defend Canada.

The failure of old settlers to get titles will also have a detrimental effect upon those veterans who are now settling. While we have been assured that there is no depression in sight, we have also been given indirectly reason to believe that the same old cause for bringing on another boom is in the offing. It is not to me, and to many others, a pleasant way of bringing about prosperity.

I do not feel I should speak long on this matter. I have set out my arguments in detail on many occasions before, and what I have said has been supported from many sections of the house. Yet the government has not seen fit to grant these clear titles.

In conclusion let me repeat that it should never again be said of the Canadian government and members of the House of Commons —because, after all, we have our responsibilities—that:

> We love our nation's heroes dead;
> We very much adore them.
> And since they haven't to be fed
> We build grand tombstones o'er them.

Mr. P. E. Wright (Melfort): Mr. Speaker, I wish to compliment the hon. member for Battle River (Mr. Fair) upon having brought this matter to the attention of the house again. He has done this consistently for the last ten years, while I have been in the House of Commons.

As he has stated, at one time a few years ago we did think the government had made up its mind to make a final settlement with respect to these old settlers. However, it did not turn out that way. At the last moment apparently someone, in a position of higher authority than the government members who sat in the veterans affairs committee, was able to set aside the recommendation of that committee with respect to this matter of giving clear titles to soldier settlers.

I am particularly interested in the matter because in 1920 I settled under the Soldier Settlement Act, and bought land by virtue of it. I know the circumstances which obtained. I believe that in the particular area I represent there was a greater concentration of soldier settlers than was to be found in any other area of Canada.

During the last thirty years I have seen those settlers, one after the other, fall by the wayside; until today in the same area only about 20 per cent of the original settlers who settled under the Soldier Settlement Act are to be found. That is an area in which we have not had crop failures, and is considered to be one of the best crop areas in the Dominion of Canada.

Let me give some of the reasons for the failure of some of those settlers. When I have done so I think hon. members will agree that it has not been the fault of the settlers themselves. I would mention first a neighbour of mine who bought land in 1920 under the board. In 1919 the dominion government controlled school lands, but it had not yet taken over the school lands of the provinces in western Canada. Those school lands were turned over to the soldier settlement board for the settlement of returned soldiers.

The land to which I am referring in the school section had been offered for sale in 1918 at a regular auction sale held to dispose of

school lands. This land was offered at an upset price of $10 an acre, but there were no bids on it. No one thought the land was worth that much, with the result that it was not sold. In 1919 it was turned over to the soldier settlement board for the use of soldiers. Did they offer that land to the soldier settlers at that price? No, they did not offer it to them, even on a bidding basis. The price of that section of land was set to the soldier settlers at $21 an acre, take it or leave it. Three-quarters of the section was bought by soldier settlers at that price when, the year before, it had been offered to the general public at the upset price of $10 an acre, and no one had seen fit to bid on it.

Under the circumstances how could soldier settlers be expected to be able to pay for that land when farmers in the area who knew the land had not been prepared to bid $10 an acre for it? As a matter of fact a quarter of the section was not sold. It came up for sale in the sale of school lands in 1927 and was sold for $15 an acre to the general public.

The government said to our returned men, "If you want land, here is the price you must pay for it." I have mentioned only one instance, but I know of others. I could tell about dozens of chaps in my particular area who had homesteads in the area at the time of their enlistment. They went overseas and upon their return wanted to extend their holdings to the extent of another quarter section. They bought those quarter sections through the soldier settlement board, and obtained additional loans for stock and equipment. But when they obtained those loans the board demanded that they be given a lien on the original homestead.

In many cases soldier settlers ended up by losing both the homesteads and the land they had bought through the soldier settlement board. Is that fair? Is that the way we should deal with our returned men? It is an old story. We remember the prices charged at that time for stock and equipment. When I went west in 1919 I worked for a farmer who had a large number of cattle. He was anxious to sell some of his milch cows to the soldier settlement board. I remember well his selling ten milch cows to the board on the basis of two calves he owned on that farm. The soldier would come in and say: Here is a nice fresh cow for you and here is a calf. The inspector of the soldier settlement board would come along and pass that particular animal for purchase through the soldier settlement board although he must have known when he went back there ten different times that certainly the ten cows did not all have one calf.

[Mr. Wright.]

That sort of thing went on with the result that many of our soldier settlers were loaded up with equipment, cattle and horses whose value was not represented by the amount which they had paid. We recognized that in the house later on when we reduced some of that indebtedness. Today the indebtedness of the soldier settlers has got down to the amounts given by the hon. member for Battle River (Mr. Fair), a small hard core or residue of settlers who, in my opinion, still owe the board through no fault of their own. I am sure that ninety-five per cent of the settlers who are still in debt to the board today are indebted because of circumstances over which they had very little control. I know that is true of the men whom I know personally in my own area. Perhaps they have had large families; perhaps they or their families have had a lot of sickness. Perhaps the land which they obtained was not the best; perhaps it was land that was either of poor quality or in an area where it was subject to frost. Through circumstances over which they had no control they find after twenty-five or thirty years that they owe the board a considerable sum of money.

I think hon. members should at least give consideration to the resolution of the hon. member for Battle River and give these settlers clear titles to their lands. The government has recognized that something should be done. They have set aside a certain sum of money each year to deal with the more difficult cases, but I do not think it is a very businesslike way in which to handle the matter. For instance I have a letter from an old soldier settler in British Columbia. In it he states that one of the officials of the board visited him last year at the request of the settler that they review his case and discuss the matter of his indebtedness to the board. He states that he came to an agreement with that particular official for the payment of a stated sum of money—I believe it was $600—to take care of his remaining indebtedness. He thought that the matter was settled. This particular inspector apparently was not able to persuade the people in the head office that his recommendation for reduction was correct, with the result that the settler received notice that the offer would not be accepted. The impression was immediately created that somebody at head office, who had never visited the farm and knew nothing about the circumstances, was overriding the judgment of the man who was actually familiar with the case, and whose judgment should have been accepted.

I wrote to the board about the matter, and they indicated that, although their man might

have suggested this was an equitable settlement, nevertheless the final settlement was at the option of the board and could only be made on their recommendation. The letter I received from the director of the board reads in part:

I have reviewed the information on file and I sincerely regret that Mr.—

I will use the name "Smith".

—was given encouragement to expect a reduction in his debt; however, to do so at present would mean that we would be giving him preferred treatment as adjustments are handled on a priority basis.

What does that mean? It simply means that the settler is not in a serious enough position for his debt to be reconsidered. Is he likely to try to get into a better position if he knows that by being a little more careless, by paying a little less, in another year they will give consideration to a reduction of his debt? I do not think that method of dealing with these cases is satisfactory at all. I think that a much more satisfactory way would be to recognize the fact that the small core now remaining under the soldier settlement board are in the main—I would say in 98 per cent of the cases —in the position they are in because of circumstances over which they have had little or no control. I believe that the government should be prepared to recognize that, and to give them clear titles at this time.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I am not going to take very much time because I do not want to talk out the resolution. I want to give it my support first of all on the ground of equity, and I concur in what the hon. member for Melfort (Mr. Wright) has said as to the general conditions under which settlement took place. Second, I support the resolution on the ground of economy. In 1946 it was made clear in the house that it would cost three times the amount of the indebtedness then owing to collect it. Surely in these days, when we talk of economy, to continue on the books an indebtedness of veterans who took up land in 1919 and 1920 under the soldier settlement board, if it is going to cost three times as much to collect it as the amount of the indebtedness, is entirely unreasonable. When one takes into consideration the equities of the situation, ordinary business sense, apart altogether from sentiment, prompts one to support the resolution.

I should like to cite as a supporter of the resolution the parliamentary assistant to the Minister of Veterans Affairs (Mr. Mutch). If he can use on the minister and the government the arguments that he advanced in the house in 1945 and 1946 this resolution will indeed receive the support of all members of the house. After all, argument is unnecessary on such a resolution when one can call as a witness the hon. gentleman who occupies the high position of parliamentary assistant to the minister. I should like to refer to page 2854 of *Hansard* for June 26, 1946. This is what the hon. member said at that time:

Mr. Speaker, I fancy that I am in a unique position in rising to speak on this resolution, not because of my attitude toward the resolution itself, but because of the fact that so far the discussion has had little or nothing to do with the subject matter of the resolution. I am one of those who in this house a year ago advocated the granting of clear title, for reasons which I gave at the time. I think it is uneconomic to send good money after bad. If we are not going to leave it to the house and the people of this country to read the proceedings of the committee,—

He was referring to the veterans affairs committee.

—I am entitled to say on my own behalf that when a member of the committee brought forward a resolution to grant clear title I supported it. I think that was the only recorded vote that has taken place in the veterans committee in the last two parliaments.

The resolution is a simple one. It reads:

That, in the opinion of this house, the government should take into consideration the advisability of giving clear titles to all soldier settlers of great war I who hold land under contract with the soldier settlement board.

Many Legion branches in the province of Saskatchewan have given support to the purport of this resolution. On more than one occasion my own branch in the city of Prince Albert has passed resolutions in favour of granting clear title to those veterans who today find themselves in this position by reason of what might be called the uneconomic purchase of land at a time when land prices were high, or who were settled in localities where through the years they suffered successive crop failures as a result of drought or, when they had reasonably good crops, found prices at such levels as made it uneconomic for them to continue. These men have struggled through the years. Surely this is not a case of discharging an indebtedness that ought not to be discharged. Parliament gave a lead in adopting the Farmers' Creditors Arrangement Act, to permit the reduction of the indebtedness of many farmers.

Mr. Warren: Who was prime minister then?

Mr. Diefenbaker: It does not matter who the prime minister was. It has been used under this government to an extent that it was never used under the government which brought it in, the government of Right Hon. R. B. Bennett. It was a piece of legislation that helped many farmers in this country to continue on the land. I was not dealing with this matter from the political angle. I know

my hon. friend wanted to give approval to Mr. Bennett and the benefits that flowed from that legislation when he asked the question; that is the only reason I considered it necessary to reply.

From the point of view of equity and fairness, Mr. Speaker, and if we want to look at it from the narrow angle, from the economic point of view, I believe we should take this action. I am sure the parliamentary assistant, having expressed the views he did in this house in 1945 and 1946, and having voted in the committee on veterans affairs for the discharge of this indebtedness, will join with the hon. member for Battle River (Mr. Fair) and others in this house who support this resolution and with the branches of the Canadian Legion in western Canada who have asked for this action, in removing one of the greatest causes of unrest and ill feeling among the veterans of the first great war.

I want to add one further word. I believe the hon. member for Battle River is entitled to great credit for the persistence with which he has carried on his crusade on behalf of those unfortunate veterans who ask parliament for action this session.

Mr. L. A. Mutch (Parliamentary Assistant to the Minister of Veterans Affairs): Mr. Speaker, an eminent Conservative statesman in another country once said that the man who never changed his mind was in the same category as the man who never changed his shirt. Let me assure the house at once that any honours and responsibilities which have come to me as an individual since 1945 or 1946 have not altered my judgment as to the desirability of liquidating, as quickly as may be consistent both with the public interest and the interests of the veterans themselves, this question which has been hanging over their heads for many years, and which has been repeatedly brought before this house with such sympathetic fervour, persistence and argument by the hon. member for Battle River (Mr. Fair).

I am not one who speaks generally and lightly on public questions; in fact I do not speak very often on anything. I appreciate the way the hon. member for Lake Centre (Mr. Diefenbaker) referred to my remarks as a private member of this house in reference to what I might almost call this perennial resolution. Had I been sitting where my hon. friends are I might have been more pointed and even less generous. I have had the high privilege—and latterly some responsibility—of serving on every veterans' committee, I believe, that has dealt with this and similar questions since coming to this house some fifteen years ago. I am, of course, fully aware that on two occasions these committees have expressed sympathy and support for the measure of relief suggested in the resolution now before the house. However, with all due appreciation of the kind words of the last speaker, I have not yet reached the position, either as a former chairman of the committee or as parliamentary assistant, where I can direct policy. It will not come as a shock to my hon. friend, who knows me fairly well, but perhaps it may surprise some other hon. members that in more than one instance I have been unable, either through the committee or through my present position, to bring my views before the government as forcefully as he suggests I might be able to do.

However, Mr. Speaker, I am very happy to confirm what has been said by others this afternoon, that as a result of the discussions that have taken place on these resolutions, and as a result of the actions of the committees on veterans affairs, some steps have been taken. During the last two years, and the proposal is before us now for another year, there has been a steady and progressive liquidation of this problem, beginning where anyone who recognizes the problem must begin, which of course is where the need is greatest. I am a little resentful when some of those who plead the case of these settlers continue to offer as evidence in support of what I personally think is a good case the fact that the lands and the men selected for settlement under that scheme were not always chosen as well as they might have been. In fairness to the government in office when the scheme was conceived and to successive governments since, and indeed in fairness to Canadian taxpayers generally, when we discuss this question we should bear in mind that many millions of dollars have been written off these contracts from time to time in recognition of the fact that we in Canada did not know as much about land settlement in those days as we have learned during the somewhat bitter years that have intervened.

Making due allowance for that, however, the administration has realized that with the passing of time, the difficulties in the way of fulfilling these contracts have been too great for some, as they will continue to be too great for others. So we have had what I like to think of as an orderly liquidation of this problem in the last two years, which is being projected into the coming year. That is a recognition on the part of the administration, Mr. Speaker, and I think the member for Battle River is entitled to take whatever comfort he wishes to take out of the fact that some method has been found for the orderly liquidation of this problem. I will not either

retract or reiterate my own views on the subject, which were quoted a few moments ago from a speech I made. At that time I was looking at it as a business proposition. I should like to remind the house that as far back as 1945 or 1946 the view of the people in the country, as well as the members of this house, was that the economic future of agriculture in Canada was cloudy. This doubt arose out of our experience at the conclusion of world war I. I am happy to say that, as a result of arrangements which have been made in the last two years, the number of those who have not yet been able to get clear title to their farms has decreased sharply, and the number of those who have continued to make payments has shown a sharp increase. I believe this reflects the increased economic stability of agriculture, particularly in western Canada.

Had I known that this resolution would come up, and that the minister would not be able to be here, Mr. Speaker, I would have brought down the statistics concerning the improvement in the position. This improvement is due first and foremost to the effort of the soldier settlers, and secondly to the cooperation which has been possible as a result of the grants which this house has made at the instigation of the department, looking forward to the orderly liquidation of this problem. When I learned that this debate was taking place and came into the chamber, I did not have the opportunity of getting those statistics.

There is one thing which I think the mover of the resolution, and those who have, with myself, supported it during the years, would be willing to admit, and which merits consideration when we deal with the question, and that is that the present policy of the government is in fact doing what the member for Battle River suggests should be done. In my view the difference arises because the resolution proposes that this matter should be concluded at one fell swoop. On other occasions I have supported the hon. member in that stand, but that recommendation has not been accepted for reasons which have been given from time to time, and which have some validity. The other policy, that of the orderly liquidation of this problem, has been followed.

One needs to remember that not only are there residual problems from the soldier settlement board of world war I, but all across this country today there are large numbers of veterans of world war II who have been settled under a more carefully prepared scheme. In addition to that there is a second group of men like the member for Melfort (Mr. Wright)—who I am sure will be quick to waive any objections so far as he is concerned—who as a result of negotiation and extreme hardship have succeeded in concluding their contracts. To exact payments on contracts from those who can pay, while letting the others go free, would be unfair to those who had made sacrifices and would be a bad example to those whose contracts have some time to run. That is an argument which one has to meet.

I am not one, sir, who finds himself either comfortable or consistent or even sensible in arguing both sides of the same question. This is a matter which was referred to the government as late as 1948 by a committee of this house dealing with veterans matters, of which committee I had the responsibility of being chairman. In view of the fact that this debate was not expected, and it was not possible for the minister who heads the department to be here to present the views of the government, I desire to move the adjournment of this debate. This would enable a full answer to be given to the house from the one whose responsibility it is. I move the adjournment of the debate.

Mr. Coldwell: I do not think this debate should be adjourned. This matter has been before the house for the last fourteen years, so far as I can remember, and we have had a similar debate every year initiated by the member for Battle River (Mr. Fair). It seems to me that the house is surely in a position to make a decision on the matter. I am not going to talk longer because I think a decision should be made. I do not think the debate should be adjourned, and if an attempt is made to adjourn it I think we should call a vote.

Mr. Low: I feel the same way. I am opposed to the adjournment of the debate at this time. Surely if we are ever to finalize this problem, we could let the house settle it now. I do not think the hon. member is taking the wise course in asking for the adjournment, and I am opposed to it.

Mr. Graydon: Come to grips with the problem now.

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

YEAS

Messrs:

Anderson	Bonnier
Applewhaite	Boucher
Ashbourne	Bourget
Bater	Bradette
Beaudry	Bradley
Benidickson	Brisson
Bennett	Brown (Essex West)
Black (Chateauguay-Huntingdon-Laprairie)	Byrne
Blanchette	Cameron
Boisvert	Cannon
	Cavers

Soldier Settlers

Chevrier	Laing
Clark	Langlois (Gaspe)
Corry	Lapointe
Cote (St. Johns-Iberville-Napierville)	Larson
	Lefrançois
Croll	Leger
Darroch	Lesage
Demers	Little
Denis	MacDougall
Dewar	MacKenzie
Dickey	MacLean (Cape Breton North and Victoria)
Douglas	
Eudes	MacNaught
Eyre	McIvor
Follwell	McLean (Huron-Perth)
Fontaine	Major
Fournier (Hull)	Martin
Fournier (Maisonneuve-Rosemont)	Matthews
	Maybank
Fulford	Mayhew
Garland	Monette
Garson	Mutch
Gauthier (Lake St. John)	Nadon
Gauthier (Sudbury)	Nixon
Gauthier (Portneuf)	Pearson
George	Power
Gingras	Prudham
Gingues	Richard (Ottawa East)
Goode	Roberge
Gosselin	Robertson
Gour (Russell)	Robinson
Gourd (Chapleau)	Rooney
Harris (Grey-Bruce)	Ross (Hamilton East)
Hellyer	Simmons
Henry	Sinclair
Hetland	Smith (Queens-Shelburne)
Hosking	
Howe	Smith (York North)
Huffman	Stick
Hunter	Stuart (Charlotte)
Isnor	Thomson
Jeffery	Ward
Jutras	Warren
Kent	Weaver
Kickham	Weir
Kirk (Antigonish-Guysborough)	Welbourn
	Winkler
Kirk (Digby-Yarmouth)	Winters
Lafontaine	Wood—114.

NAYS

Messrs:

Argue	Harkness
Aylesworth	Helme
Balcer	Herridge
Beyerstein	Hodgson
Blackmore	Johnston
Blair	Jones
Browne (St. John's West)	Knight
Bryce	Knowles
Cardiff	Lennard
Catherwood	Low
Charlton	MacInnis
Coldwell	McGregor
Coyle	McLure
Diefenbaker	Noseworthy
Fair	Pearkes
Ferguson	Quelch
Fleming	Rowe
Fraser	Shaw
Fulton	Stanfield
Gillis	Thomas
Graydon	Tustin
Green	Wright—45.
Hansell	

[Mr. Graydon.]

Mr. Ross (Souris): I was paired with the hon. member for Melville (Mr. Gardiner). Had I voted, I would have voted against the motion.

Mr. Cruickshank: I was paired with the hon. member for Medicine Hat (Mr. Wylie). Had I voted, I would have been more careful than I was in my vote the other night.

Mr. Mitchell: I was paired with the hon. member for Waterloo South (Mr. Homuth), If I had voted, I would have voted for the motion.

Mr. Sinnott: I was paired. Had I voted, I would have voted for the motion.

Mr. Harris (Danforth): I was paired with the hon. member for Waterloo North (Mr. Breithaupt). Had I voted, I would have voted against the motion.

Mr. White (Middlesex East): I was paired with the hon. member for Middlesex West (Mr. McCubbin). Had I voted I would have voted against the motion.

PRAIRIE FARM REHABILITATION

PROPOSED INCREASE IN EXPENDITURES FOR RECLAMATION, ETC.

Mr. F. H. Larson (Kindersley) moved:

That, in the opinion of this house, the government should take into early consideration the advisability of increasing the expenditures under P.F.R.A. for the purpose of (a) the reclamation of agricultural lands wherever advisable; (b) removing families from unsuitable lands to suitable lands; (c) accelerating the construction already planned or under construction under present statutory authority, and to extend construction into areas not already affected.

He said: Mr. Speaker, this matter is not new to this house, and I am prepared to have the house consider the question without any further explanation unless the house desires it.

Some hon. Members: Question.

Some hon. Members: Explain.

Mr. Larson: The federal government by means of special votes has already gone a long way in alleviating the various problems with which agriculture is faced, and the only purpose in introducing this resolution at this time is to get the consensus of this house regarding the consideration of these reclamation projects as a national policy. The problem is national in its scope, as will be brought out in the argument.

There is no doubt that as the years go by Canadians in every part of Canada are developing a national rather than, should we

say, a sectional outlook. Many of our underlying prejudices have been broken down and I am sure that as time passes our bonds of unity will strengthen.

No matter how rich we become in the development of oil, uranium, iron and the various other metals, the main bulk of our people will still be engaged in farming, and agriculture will continue to be the industry to which most of our people will devote most of their efforts and from which they will derive their living. It is a well known fact that when agriculture is prosperous there is a vast market for the products of our mines and factories right in our own country. When agriculture is not prosperous goods stack up on the merchants' shelves. The people employed in factories and distributing agencies are laid off and there is great hardship throughout the nation.

Science and technology have been employed to increase the productivity of industry. These same facilities have been used to increase the living standard of our farmers. There are certain phases though that the individual farmer cannot carry on by himself. He knows that this must be done by a public body, such as the government.

As agricultural lands opened up in this country, there was lots of good land for everybody. However, as we are growing and developing we are running out of good land that is easy to put into production. There is, however, lots of good land that could be prepared; and if as a nation we desire to put this land into production to make homes for more farm families—and I think it is very necessary that we do this—we must be prepared to make further use of science and technology to prepare the many more acres which are available.

Our farmers have always had problems of a localized nature and the usual way to meet them has been through local municipalities and departments of agriculture in provincial governments.

The first problem which faced agriculture, which can in any way be termed a national emergency, was the threat in the early thirties that all of western Canada would become a desert of drifting soil. It was absolutely beyond the resources of the provincial governments involved to face this problem, and the federal government with its greater resources stepped in. The situation was faced and the problem was solved.

The policy that was established to overcome the situation had several most important and far-reaching results, in our thinking both as to the solution of such problems and as to the actual increase in prosperity of farmers. Wind erosion was cut to a minimum by improved tillage methods and the seeding to grass of large areas of land which could be termed submarginal. The resulting areas of pasture land produced put our beef cattle industry on a stable basis. The people were shown that in years when it was too dry for cereal crops the farmers' living could be augmented by having beef cattle to sell.

The development of the Prairie Farm Rehabilitation Act and the gradual increase in the ability of the engineers belonging to this department to cope with land-use problems lead to the work which has been carried on jointly by the federal government and the British Columbia government in matters of flood control and irrigation in that province. The province of Quebec has been very keenly aware of land-use problems, and has for many years been carrying on a program which can take second place to none. The province of Ontario has done a good deal of work, and the maritime reclamation is going to result in quite large areas of land flooded by sea water at high tide being reclaimed and made available for agricultural purposes. All these various policies have been concerned with those three most important factors in an agricultural economy —land, people and water. In western Canada it is a matter of getting more water to the soil. In eastern Canada it is a matter of soil drainage and flood control. In British Columbia it is a mixture of both these things. In Ontario there is a further problem of soil fertility, and I presume as western Canada becomes older she will eventually also face the problem of soil fertility.

It may be felt by many people that we are already producing enough agricultural commodities to supply any possible markets we might have. This is probably true, but the farm is the only unit in our economy where a man and his family can produce a good proportion of the commodities he uses. His living is tied very closely to his home, and for this reason there is no limit to the number of people that Canada could accommodate if agricultural policy were such that people could produce a living on smaller areas of land.

Saskatchewan and Alberta, because of climatic conditions, cannot accommodate many more people than they already have because the production per acre of cereal crops is so small that to make an adequate living one family must occupy a tremendous number of acres.

There is much of our western country that will probably still continue to produce cereal grains mostly for export for many years to come because they are suitable for

that type of farming, and within the foreseeable future will not be suitable for intensified mixed farming.

However, we are being shown by the irrigation projects already in operation in Alberta that as long as the water holds out in our major rivers there is no limit to the amount of land that can be put under irrigation, thereby bringing about that ideal farm unit where the mixed farmer can produce practically everything he needs.

It is the ambition of the Department of Agriculture to make further use of the South Saskatchewan river to make available half a million acres for small farm units, and by use of the Red Deer river in Alberta make available many more acres for small farm units. There are many other projects which could be carried on which would tend to do the same job for the people of Canada. The great advantage of this type of farming is that the farmer has pretty well an assured living, whereas with our great areas of wheat land the farmer may be a wealthy man one year and then a series of dry years can completely take his resources away and throw him on the—should we say—mercy of the government for his living within a short space of two or three years. These factors have impressed upon the Department of Agriculture, farmers themselves, people in business who realize the farmer must be kept at a high rate of income, and upon others, the necessity of implementing a national policy of using all the resources at our disposal to stabilize our vast agricultural industry.

I notice it is nearly six o'clock. I have many statistics here, but I would rather not use them until a later time when the debate is resumed.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we wish to proceed with four resolutions, the basis of bills we would like to have distributed. The order would be the following: First, the resolution concerning the amendment to the Canadian Wheat Board Act, 1935; second, the resolution to amend the National Research Council Act.

The Minister of Trade and Commerce (Mr. Howe) will be in the house until six o'clock. During the evening he has official duties to perform, and cannot be here. We hope therefore that these resolutions may be passed before six o'clock so that the bills may be introduced. The reason is that next week it is the intention to proceed with the budget debate, and for ten or fifteen days we would not have a chance to proceed with these resolutions.

Then there are two other resolutions, one in the name of the Minister of Veterans Affairs (Mr. Gregg), No. 16 on today's order paper, and one in the name of the Minister of Transport (Mr. Chevrier), No. 23 on today's order paper. Then there are still four small bills, numbers 86, 87, 12 and 81 which will be proceeded with if we pass these resolutions.

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

HOUSE OF COMMONS

Thursday, April 20, 1950

The house met at three o'clock.

INCOME TAX

APPEAL BOARD—"MR. C." AND MEMBER FOR INVERNESS-RICHMOND NOT THE SAME PERSON

Mr. W. F. Carroll (Inverness-Richmond): On a question of privilege, Mr. Speaker, I would ask the Minister of National Revenue whether W. F. Carroll, member for the constituency of Inverness-Richmond, and "Mr. C.", who is or was a judge of one of our Canadian courts and who as commissioner received some $15,000 on which he objected to paying income tax, are the same person.

Hon. J. J. McCann (Minister of National Revenue: The hon. member for Inverness-Richmond and "Mr. C." are not the same person, Mr. Speaker, and I am very sorry if the person who has been referred to as "Mr. C." has caused the hon. member any inconvenience or embarrassment.

[*Later:*]

On the orders of the day:

Mr. Gordon Graydon (Peel): Mr. Speaker, in view of the fact that the hon. member for Inverness-Richmond (Mr. Carroll) at the opening of today's sitting raised the question of who "Mr. C." was, and, in effect, asked that any cloud be dispelled that might be over his name in that connection, may I ask the Minister of National Revenue to remove the cloud from all of our judges' good names, and tell the House of Commons who "Mr. C." really is?

Hon. J. J. McCann (Minister of National Revenue): Under the terms of secrecy with reference to income tax returns I have not the right to divulge who "Mr. C." was, particularly on account of the fact that the appellant in the case asked that it be heard in camera.

Mr. Graydon: May I ask one further question? The minister has already given an answer which exonerated one judge. Does he mean that we have to put a question as to every judge in Canada before we can come to the man who is "Mr. C."?

Mr. McCann: Mr. Speaker, if the hon. member for Peel wishes to adopt those tactics and that mode of procedure, I will answer the questions one by one.

Mr. Graydon: Thank you.

Mr. Speaker: I shall have to take into consideration whether or not such procedure would be allowed. At the moment I am not ruling that I will allow the questions to be put in that way.

Mr. Graydon: May I ask a question of the Minister of Justice? Until His Honour makes a ruling with respect to that matter, will the Minister of Justice table the names of all of the judges in Canada so that we may have them for the purpose of asking the questions?

Mr. Fraser: They are all under a cloud.

FOREIGN EXCHANGE CONTROL

FINE IMPOSED ON HOTEL OWNER—STATEMENT AS TO APPEAL

On the order for motions:

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I should like to announce that the government has instructed counsel to appeal against the sentences imposed in the case of Rex *v.* Vernon G. Cardy.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

HAND GRENADES

Mr. Fraser:

1. Do any organizations, police departments, individuals or group of individuals in Canada have permission to possess and use hand grenades of any kind?
2. If so, what are the names of these people or organizations?
3. What kind of hand grenades do they possess and from what source did they receive them?

Mr. Garson:

1. Peace officers, immigration officers and service personnel may possess and use hand grenades under the general authority of section 129 of the Criminal Code; bona fide dealers may also possess hand grenades under the general authority of the same section and without having a specific authority in the form of a permit. Persons other than those already mentioned may also have hand grenades if in possession of a permit in Criminal Code form 76A. Such permits may be issued by the commissioner of the Royal Canadian Mounted Police or by any officer duly authorized by him or by any person authorized by

the attorney general of any province upon sufficient cause being shown and upon being satisfied as to the discretion and good character of the applicant.

Hand grenades come within the definition of "offensive weapon", as defined by section 2(25) of the Criminal Code of Canada.

2. The names of persons or organizations to whom permits have been issued authorizing possession of hand grenades are not available, as there is no central record of such permits. Applications are normally dealt with by officers authorized by the attorney general of the province to deal with these matters under authority of section 120, subsection 2, of the Criminal Code.

3. The information asked for is not available at present for the reason mentioned in the answer to No. 2.

MOTOR VEHICLES BEARING U.S. LICENCE PLATES HELD BY MOUNTED POLICE

Mr. White (Middlesex East):

1. Are any cars owned by Indians bearing Michigan or New York licence plates being held by Royal Canadian Mounted Police (a) in the province of Ontario; (b) at Muncey, Ontario; (c) at Six Nations Reservation, Brantford, Ontario?
2. If so, how long have these cars been held, and for what reasons?
3. How many cars, if any, are similarly held that are owned by American citizens other than Indians?

Mr. Garson:

1. (a) Yes; (b) yes; (c) yes.

2. Seven cars for the whole province of Ontario, six of which bear Michigan licence plates, and one bearing a New York licence plate, have been held since the following dates:

At Muncey, Ont., since 20th Jan., 1950	1	
At Muncey, Ont., since 21st Jan., 1950	2	
At Muncey, Ont., since 8th Feb., 1950	1	
At Muncey, Ont., since 12th Feb., 1950	1	
	—	5
At Six Nations reserve, Brantford, Ont.		1
Elsewhere in Ontario (at Wallaceburg)		1
		—
		7

All cars held for violations of the Customs Act.

3. Cars bearing Michigan or New York licence plates owned by American citizens other than Indians:

[Mr. Garson.]

In Ontario: N.Y. licence plates, 5; Michigan licence plates, 5; total, 10.

BONAVENTURE, QUE., FISHERMEN'S WHARF

Mr. Courtemanche:

1. Is the extension to the fishermen's wharf at Bonaventure, Bonaventure county, carried on from December 1, 1949, to March 15, 1950, now completed?
2. If so, has the work been accepted and paid for, and on what date?
3. What amount was paid to Achille Raymond, as supervisor, from February 1 to March 15, 1950, and how many days did he work?

Mr. Fournier (Hull):

1. No.

2. Answered by No. 1.

3. (a) $192; (b) twenty-four days.

APPOINTMENT OF JUDGES TO PROVINCIAL ROYAL COMMISSIONS

Mr. Diefenbaker:

1. What judges of (a) superior courts; (b) county or district courts, have been members of provincial royal commissions since the first of January, 1945?
2. Of these, how many have received honoraria or allowances for services so rendered?
3. Which of said judges have been authorized, by (a) the governor in council; (b) the Minister of Justice, to act on such commissions?

Mr. Garson: Mr. Speaker, for the sake of greater clarity—and I have discussed this with the member for Lake Centre (Mr. Diefenbaker)—the third question should read as follows:

Which of the said judges have been authorized, by (a) the governor in council; (b) the Minister of Justice, to act as members of such provincial royal commissions, and to receive honoraria or allowances for services so rendered?

On that basis I am answering the question.

1 and 2. Neither the attorneys general of the provinces nor the judges of the said courts report to the government of Canada those cases in which the said judges have been members of provincial royal commissions. The government of Canada therefore has no information concerning questions 1 and 2.

3. None.

DENIAL OF THE USE OF MAILS

Mr. Diefenbaker:

1. What were the charges alleged against the brokers and dealers in securities who, since the first day of March, have been denied the use of the mails?
2. How many of these persons were given the opportunity of defending themselves against such charges before the order was made?
3. Was any request for such order received from the government of the United States or any of the state administrations?

Mr. Lapointe:

1 and 2. No charges were laid. The Postmaster General acted in the matter under authority of section 7 of the Post Office Act.

3. No.

PRAIRIE FARM ASSISTANCE—SASKATCHEWAN

Mr. Argue:

1. Was prairie farm assistance paid on East½-10-5-27-W3rd, and SE¼-3-5-27-W3rd, as a result of crop failure in 1949?

2. If so, to whom were payments made?

Mr. McCubbin:

1. No.

2. Not applicable.

HEALTH GRANTS—RESEARCH PROJECTS

Mr. Dickey:

1. How many research projects, by provinces, have been or are being carried out in Canada under the national health grants program?

2. What is the total amount, by provinces, of the financial assistance by the federal government which has been approved to date in respect of such projects?

Mr. Martin:

1 and 2.

Province	No. of projects	Amount approved
Newfoundland	2	$ 7,100.00
Prince Edward Island	1	1,000.00
Nova Scotia	4	13,545.00
New Brunswick	3	16,500.00
Quebec	16	132,777.36
Ontario	41	359,758.00
Manitoba	7	21,725.50
Saskatchewan	8	39,269.78
Alberta	5	28,550.00
British Columbia	4	48,630.00
	91	$668,855.64

CANADIAN BROADCASTING CORPORATION—FM EQUIPMENT

Mr. Benidickson:

1. At what locations has the Canadian Broadcasting Corporation installed frequency modulation transmitters?

2. When did each commence operation?

3. What were the costs of each frequency modulation installation?

4. How many frequency modulation receivers are estimated to exist in Canadian communities within range of each Canadian Broadcasting Corporation frequency modulation transmitter?

Mr. McCann:

1, 2 and 3. CBM-FM Montreal, July 2, 1946 and CBF-FM Montreal, March 5, 1948, $45,200; CBO-FM Ottawa, February 18, 1948, $8,300; CBL-FM Toronto, October 8, 1946, $23,100; CBR-FM Vancouver, December 12, 1947, $17,500.

4. No information.

Business of the House

QUESTION PASSED AS ORDER FOR RETURN

GOVERNMENT PRINTING EQUIPMENT OTHER THAN IN PRINTING BUREAU

Mr. Diefenbaker:

1. Does the unemployment insurance commission operate printing equipment apart from and independently of the government printing bureau?

2. If not, what is the explanation of the reference to "the printing division" on page 16 of the 1949 report of this commission?

3. Are there any other government departments or agencies operating printing equipment of their own?

BUSINESS OF THE HOUSE

PRECEDENCE OF GOVERNMENT BUSINESS ON APRIL 24 AND 26 AND EVERY WEDNESDAY THEREAFTER

Right Hon. L. S. St. Laurent (Prime Minister) moved:

That on Monday, April 24 next, and on Wednesday, April 26 next, and every Wednesday thereafter to the end of the session, government notices of motions and government orders shall have precedence over all other business except introduction of bills, questions by members and notices of motions for the production of papers.

Mr. Gordon Graydon (Acting Leader of the Opposition): Mr. Speaker, I think we all agree that there ought to be a reasonable balance between government business and that which is initiated by private members. I do not believe there will be any disposition on the part of members of the house to deny the rights which the government should normally exercise with respect to government business, having in mind the time available for parliamentary work in general. In this instance, however, it could be successfully argued that by making this motion now the Prime Minister is throwing out of balance the relationship between government business and that of private members. It is on this basis that I wish to make a few remarks on the motion introduced by the Prime Minister.

I shall confine the remarks I have to make to the private members' notices of motions on the order paper, which of course would be seriously affected by the adoption of a motion such as this. We are now in the thirty-ninth day of this session, and there are twenty-two private members' notices of motions still to be dealt with. Up to the moment we have been able to deal with only two. In the normal course of affairs these notices of motions, looking at it from the practical point of view, are usually debated on Wednesday afternoon. They have precedence on Wednesday afternoon, and of course that priority is recognized. Of the thirty-nine sitting days this session, only two half days have been allowed for notices of

motions by private members. I believe every member will agree that by the time routine proceedings are concluded there are not more than two and a half hours left each Wednesday for private members' notices of motions.

I should like to suggest to the Prime Minister that he reconsider the position the government is taking. It does seem to me that four or five hours during the session is not enough to give private members the opportunity they should have to bring before the House of Commons their points of view on various matters. What I am about to say is said without any thought of party selfishness, because out of the twenty-two resolutions or motions on the order paper there are only two which are moved by members of the official opposition, although those two, concerning a bill of rights and the St. Lawrence waterway, are of as vital concern to the house as any of the legislation envisaged in the other notices that have been filed.

Actually this becomes an issue between the government and the private member, no matter where he may sit in the house. I want to speak, if I may, for the person who in ordinary street parlance—and I do not use the term in any offensive way—is called the ordinary Joe, into which category all of us private members in the House of Commons fall. It becomes an issue, I say, between the ordinary Joe and what may be regarded as the "top brass" in government circles. This being so, I want to plead the case of the ordinary Joe member of parliament like myself, who still thinks he ought to have, if he so desires, some opportunity to discuss matters which he believes to be of interest to the people of Canada.

What happens, Mr. Speaker, is this. The government provide the legislative menu day by day. They set the legislative table; they serve the legislative food, and it is for the ordinary Joe in parliament to take the food or to leave it, or to send it back to the kitchen for further preparation. We believe the ordinary Joe in parliament ought to be able to set the table once in a while, to prepare the food, and to ascertain the state of the government's digestion. That is one of the reasons why I think there ought to be more opportunity for private members to set the legislative table.

I am afraid that the procedure adopted by the Prime Minister has almost become a precedent which, having in mind the past attitude of the government, the private member can expect to see followed year by year. I am not suggesting that anyone who has a notice of motion on the order paper would be so motivated, nevertheless such a procedure might normally encourage private members to place motions on the order paper merely for the purpose of having their views alone expressed on a particular matter. It might easily be regarded as a hit-and-run motion, because under present circumstances there need never be discussion on the matter. I believe we should not encourage hit-and-run motions in this House of Commons, but that is what we are doing if we adopt this procedure. If any decision of the house is to be made on this matter, I would expect every member who has a notice of motion on the order paper now to vote to have that motion heard by the house; otherwise I am quite sure his position would hardly be consistent with his having placed a notice of motion on the order paper.

There will perhaps be some who will say: What do these notices of motions accomplish? They accomplish a good deal. Many legislative enactments in the past have been based upon the testing of public opinion in this house and outside by a notice of motion which has been debated on the floor of the House of Commons. I have not put many notices of motions on the order paper in my time, but I remember that four years ago, before a notice of motion I had placed on the order paper, calling for a separate minister of external affairs, was heard, the government had appointed a new and separate minister to handle the Department of External Affairs. I might go on and give other instances in which motions moved by private members had a material influence in changing government policy.

While I am not arguing that we as private members should place obstacles in the path of government business, I suggest to the Prime Minister and to the house that it is just as important that we preserve the proper balance between government and private members. I therefore suggest to the Prime Minister that upon reflection he will perhaps agree with me that the motion now before us, if it were to carry, would throw out of balance the relationship to which I have just referred.

Mr. M. J. Coldwell (Rosetown-Biggar): Normally, Mr. Speaker, at this stage of the session I should be hesitant about opposing a motion of this kind; but for the reasons given by the acting leader of the opposition (Mr. Graydon), and also because of the wording of the motion itself, I am opposing it.

I want to draw to your attention, Mr. Speaker, and to the attention of the house, the manner in which the motion is worded. It reads:

That on Monday, April 24 next, and on Wednesday, April 26 next, and every Wednesday thereafter to the end of the session, government notices of

motions and government orders shall have precedence over all other business except introduction of bills, questions by members and notices of motions for the production of papers.

On looking over the motion one immediately sees that after next Monday, which is taken away on account of the budget debate, Mondays will be restored as private members' days. Under standing order 15, Monday is private members' day, and the first order of business on Monday is private bills. What construction can be placed upon this motion? Private bills will come back to this house the following Monday. What private bills? Next week I take it that the pipe line bills will be before a committee and will probably come back to the house the following Monday. Consequently, if I am interpreting this motion aright, a special privilege is once again being given to these pipe line bills.

At the last session of parliament we had an extension of the private members' hour one evening in order to get these bills through. What I do not like about this kind of thing, whether it is deliberate or accidental, is that it is manipulating the rules of parliament. We have had too many variations of the rules of parliament. It is true that on this side of the house there is only a small minority; but, because of the overwhelming majority on the government side, care should be taken to see that the rules are observed and that private members are adequately protected.

I do not like this manner of dealing with private bills, and I am in good company on that score. A great Liberal in this country, Hon. Edward Blake, as long ago as 1883, is recorded as having said, as reported at page 37, volume I of *Hansard* for that year:

We have adopted a system wholly vicious, a system by which members of the house are expected, not merely to introduce and take the first steps in connection with the passage of private bills, but also to become their advocates and active promoters, and the position which we see is assumed with regard to such bills is one which is quite inconsistent with the true position of members of parliament called upon to pass judgment on them.

If that is true of an individual member of parliament, how much more true is it of a government when rules are varied in order to give precedence to private bills. If it is "wholly vicious" for members of the house to be expected not merely to introduce and take the first steps in connection with the passage of private bills, but also to become their advocates and active promoters, how much more vicious is it when a government varies the rules in order to give precedence to private bills which are meeting strenuous opposition in this house. If the government wants to make these bills government bills, well and good; let us have them before us as government bills and treat them as government business. But let us not have the rules of the house set aside in discrimination against other bills, public orders and private members' resolutions, and in favour of these bills which have met with such strenuous opposition from some members of this House of Commons.

I myself have taken little part in the discussion of the pipe line bills. I spoke once on them. But when I see a resolution such as this brought down, if my interpretation is correct, I feel that it is something about which we must make the most emphatic protest we can possibly make. In order that we may do what the acting leader of the opposition suggested just now, namely, place private members on an equal footing in this house with regard to their resolutions and their bills, I want to move, seconded by the hon. member for Vancouver East (Mr. MacInnis):

That the motion be amended by deleting therefrom the words "and every Wednesday thereafter to the end of the session."

I do that so that on Wednesday private members' motions and public bills and orders, if we reach them, may be placed on an equal footing with other private members' bills such as the pipe line bills. Consequently I shall press this amendment to a division if it is not acceptable to the mover of the motion.

Mr. Solon E. Low (Peace River): There is not much left for me to say, Mr. Speaker, on this motion, but I think the position taken by the hon. member for Peel (Mr. Graydon) and the hon. member for Rosetown-Biggar (Mr. Coldwell) is sound. I have tried to divorce this question completely from consideration of pipe line bills. Looking at it purely from the point of view of protection of the rights of private members, and also to achieve, as the hon. member for Peel has said, a proper balance between time for government business and time for private members' business, I am going to support the amendment moved by the hon. member for Rosetown-Biggar.

I realize it will be charged that if we had not used so much time in the discussion of pipe line bills on this side of the house, there would have been more time for the discussion of private members' resolutions. I realize that our position on the opposition side of the house would be stronger if that had not happened.

Mr. Bradette: It would.

Mr. Low: I am making allowance for the feelings that hon. members may have in regard to the way these pipe line bills were dealt with. But we Social Crediters have not

participated at all in the discussion of those bills, simply because we did not want to contribute to talking them out or destroying the chances of their getting through. I just want to put our position strictly on the basis of the rights of private members and a proper balance between time for private members' business and government business.

Right Hon. L. S. St. Laurent (Prime Minister): I am not going to question the perfect sincerity and the high-mindedness of those who are opposing this motion. I even congratulate the hon. member for Peel (Mr. Graydon) on his concern about the rights of the ordinary Joe, because both he and I are the ordinary Joes of this House of Commons. I am happy to have provided him with the opportunity to give us the interesting exposé that he made when this motion was called.

I thank the hon. member for Peace River (Mr. Low) for the frank recognition that had there not been this very proper use of the rules of the house when these pipe line bills were called, there would have been ample opportunity to discuss all the private members' resolutions.

Now, to come to the position of the hon. member for Rosetown-Biggar (Mr. Coldwell), who is so indignant at the "manipulating" of the rules of the house, I can hardly make that assertion conform with his suggestion that private bills be made government bills. That would do something pretty serious to the standing orders. So that there may be no ambiguity upon that point, I may say to the hon. member for Rosetown-Biggar that the members of the government were very anxious that parliament, the whole of parliament, have the opportunity of expressing its views upon those pipe line bills, and that it be not prevented from doing so by the talking-out tactics deplored by the hon. member for Peace River.

The hon. member for Rosetown-Biggar found it strange that there should not be the taking away immediately of the opportunity for considering private bills on the Mondays following next Monday. Well, it seems to us that so long as the rules of parliament provide that applications for private bills may be made, and that that is the only way in which incorporation for certain purposes can be obtained, it is proper that there should be opportunity for parliament to discharge that responsibility.

With respect to the amendment that we delete from the motion, the words "and every Wednesday thereafter to the end of the session", that would do for next week, but the hon. member will realize that there seemed to be considerable consternation last Monday night when hon. members found that their resolutions were going to be called after the private bills had been dealt with. If hon. members will just look at *Hansard*—those who were not here to witness what took place that evening—they will see that one of those private resolutions occupies a space of about three inches of one column of *Hansard*, because there was no one prepared to debate it. The preceding one occupies seven or eight inches of a single column of *Hansard* because there was no one prepared to debate it.

There will be other occasions on which these resolutions can be called and dealt with. On the Mondays that are not being taken there will be opportunity to call all these resolutions, unless there are hon. members who still want to resort to the talking-out tactics against the pipe line bills. Of course there would be one other method of dealing with these talking-out tactics instead of providing additional time, and that would be to invoke the closure rule; but that rule has not been invoked for a long time; it would be rather distasteful to us all to have to resort to it, and it would offer at least one more opportunity of charging this side of the house with abusing the fact that it has a large majority on the floor of the House of Commons.

Mr. Green: Why don't you put the pipe line through Canada?

Mr. St. Laurent: Because in the pipe line bill this parliament decided that when a company was incorporated to build a pipe line it might exercise its powers, either within or without Canada, provided it did so in the manner determined by the transport board set up by this parliament to examine and consider where the line should pass.

Mr. Green: That is evading the question.

Mr. St. Laurent: That is not evading the question.

Mr. Green: Yes, it is.

Mr. St. Laurent: I resent any charge of evading any question. The hon. member will never be able to put me in the position where I will have to evade any suggestion of his. I will always be prepared to meet him head on, either here or anywhere else. I am not going to evade any other suggestion—

Mr. Green: Don't get excited.

Mr. Graydon: Quiet down.

Mr. St. Laurent: It is rather exciting to one of my age, and to one who has always been careful of his reputation in Canada, to hear any hon. member of this house charge him with evasion, and I want my fellow members in the house to realize that I resent any such charge.

Mr. Graydon: You don't have to lose your temper over it.

Mr. St. Laurent: I would rather lose my temper than lose my reputation.

Some hon. Members: Hear, hear.

Mr. Graydon: You are in better humour now.

Mr. St. Laurent: I rejoice in what has happened here as evidence that at least with some hon. members I am not losing my reputation.

Mr. Green: Only with the rubber stamps.

Mr. St. Laurent: There is nothing I wish to evade, not even the division on the amendment proposed by the hon. member for Rosetown-Biggar.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker,—

Some hon. Members: Sit down.

Some hon. Members: Question.

Mr. Speaker: The hon. member for Winnipeg North Centre has the floor.

Mr. Knowles: Thank you, Mr. Speaker. I was prepared to wait for that noise to die down. I have, however, one or two observations to make, for some comments have been made to which I wish to make answer.

It has been suggested that the reason we are faced with this situation is that time was taken on private members' days to deal with the pipe line bills. May I point out that the debate on the pipe line bills has been for the most part on Tuesday and Friday evenings, when private members' resolutions are not reached at all, and that so far as Mondays are concerned, only two full Mondays have been spent in debate on pipe line bills.

I am satisfied that if the pipe lines debate had not been carried forward as it was, Mondays would have been taken away from us long ago. The Prime Minister (Mr. St. Laurent) now says, using the argument that the government wants to do things in a democratic way, that the government wants parliament to have an opportunity to make its decision on the pipe line bills. I am glad the Prime Minister said that. He made it clear that the government wishes to have a decision reached on these pipe line bills. He thus made it clear that the government is interested in them. May I point out to him that these are private bills, and that they should be subject to the rules of the house, just the same as are private members' resolutions.

My colleague the hon. member for Saskatoon (Mr. Knight) has on the order paper a resolution respecting education. We want parliament to have an opportunity to make a decision on that matter, and we are just as anxious to have that done as is the Prime Minister to have a decision on the pipe line bills. The hon. member for Battle River (Mr. Fair) says, provided they do not move the adjournment of the debate. We know they have tried that move before. I hope the government's parliamentary majority will not continue to be used for moves of that kind.

Our whole complaint about this procedure is its discriminatory nature. My leader said we would not be able to object very much at this stage of the session if private members' days were taken away completely. But what we do object to is taking away for the remainder of the session the day, namely, Wednesday, on which private members' resolutions, such as the one to which I have referred dealing with federal aid to education, can be discussed, and not taking away Mondays, on which private bills come first.

It is interesting to note that the one and only Monday taken away by this motion is this coming Monday, April 24, when, by the rules of the house, the two pipe lines bills are out of the house and before the standing committee on railways, canals and telegraph lines.

It is our contention that the motion of the Prime Minister is of a discriminatory character as between private members' resolutions, which deal with public questions, and these private bills for the incorporation of private companies. I am glad that my leader has made it clear that if the Prime Minister is not prepared to accept the amendment, we will ask for a division on it.

Mr. A. C. Stewart (Yorkton): Mr. Speaker, I had not intended to speak on this motion, but I do so because the group sitting over here in the rump constitutes the largest group on this side of the house.

The hon. member for Winnipeg North Centre (Mr. Knowles), in the thirty-nine days we have been sitting this session, has now risen over 139 times. Sitting here as a private member I am anxious to take part in debate on some of these private resolutions, including one or two of my own. However the hon. member for Peel (Mr. Graydon) made an interesting remark about the government's cooking up the mess and our having to eat it. Well, if we let them go on as they have on these pipe line bills, it will be a case of too many cooks spoiling the broth. We have too many cooks in the house already.

We have sat here thirty-nine days and we have accomplished practically nothing which has meant anything. In the interests of and

at the request of the opposition, both at the previous session and at this one, the estimates were brought down in the first week. There has been constant obstruction of government business ever since those estimates were brought down. No general estimates for administration have been passed. Motion of non-confidence after motion of non-confidence has been moved on every motion to go into supply.

Everyone in the house knows that in supply in each department, on the item for general administration, if a member talks once he can say most of the things he should say in this session of parliament. But in my opinion, by this process of filibustering on the pipe line bills, much time has been wasted. The hon. member for Vancouver-Quadra (Mr. Green) interrupted the Prime Minister; the same member said he did not understand the pipe line bill when it was passed last year. The hon. member for Winnipeg North Centre claims he overlooked the material part of the bill. This is the same member who, because he saw a little clipping in the press pointing out how astute he was on parliamentary procedure, has been indulging in it ever since he read that clipping. He says that he sat in the house during the debate of the pipe line bill in 1949, which occupied eight pages of *Hansard* at one place and sixteen at another, and that he did not know that it gave the government certain powers that were given. The hon. member for Vancouver-Quadra sat there while five similar bills were passed, and he says he did not know that those bills meant what they said.

Speaking again for this group in the house—and I hope for all hon. members—may I say that we are tired of all this obstruction. I am glad to see that the Social Credit party have not taken part in it or delayed the business of the house. As Canadians and as members of the House of Commons we want to get down to the real business of the house, including the general estimates. Let us discuss the business of government. Let the government go ahead with its motion and get down to government orders and government business, so that we can do something for Canada instead of sitting here and forming a debating society.

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

Mr. Fournier (Hull): This makes 140.

Mr. Speaker: The hon. member wishes to ask a question of the hon. member for Yorkton?

Mr. Knowles: That is right.

[Mr. Stewart (Yorkton).]

Mr. Stewart (Yorkton): On occasions the hon. member has refused to answer my questions. I have finished my speech, and he is out of order.

Mr. Knowles: Skip it.

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, the question with which we are dealing is too important to be dealt with in a spirit of levity. We are dealing with parliamentary rules and parliamentary procedure. All our rights and prerogatives in this house depend on the proper use of parliamentary procedure and parliamentary rules of order.

The rule which provides that during the session certain days will be given over to private members' resolutions does not limit the number of those days with the exception of the first four Thursdays in the session. The limitation is usually imposed by the government after taking into consideration the volume of government business that needs to be done and the number of days that have been given to private members' motions.

There can be no fault found with that procedure, provided that private members are allotted a reasonable amount of time. If all private members' days were being taken away at this time I do not believe members of the opposition would find fault with the government. What we do protest against is taking away private members' days next week so that private members will not have an opportunity to speak to their resolutions, and restoring private members' days when outside interests have measures that they want to have dealt with in this house.

That is the question which confronts us. Let me call attention to public bills and orders. The Prime Minister (Mr. St. Laurent) said that he was going to see to it that hon. members were given an opportunity to express an opinion on certain private bills. Hon. members will find that there are a number of public bills and orders on the order paper. I ask the Prime Minister if he is going to see to it that private members who have bills on the order paper will have an opportunity to secure expressions of opinion on those bills before the end of the session, or will the majority of these bills that are on the order paper be allowed to lapse without an opinion being expressed on them? In other words, are outside interests, such as a few financiers in New York, Montreal and Toronto, going to have an opportunity to have matters in which they are interested brought before the house and an opinion expressed thereon, while private members of this house are denied the same opportunity? That is the issue before us this afternoon.

I suggest to hon. members on both sides of the house that before they vote for or against

the motion or the amendment they decide whether their vote will be according to proper parliamentary procedure, and whether they will be defending the rights of the people who elected them to this House of Commons. What I object to in this instance is the manipulating of the rules so that one week we have private members' days, the next week the same days are not private members' days, then the next week they are restored, and so on. Surely that is a violation of the procedure and rules of this house. It is a travesty on parliamentary procedure. I am surprised that such a thing should have happened under the leadership of the gentleman who is now Prime Minister of this country.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, no one can say that I have been an obstructionist or a filibusterer in connection with these bills.

Mr. Dechene: Don't take yourself too seriously.

Mr. Diefenbaker: I have not spoken on the subject. There is no one who takes himself less seriously than the hon. member who has just interrupted. At no time have I participated in the pipe line discussions, nor was I present when the divisions took place.

After listening to the Prime Minister (Mr. St. Laurent) today I must say that never have I known a prime minister or a government so energetic in getting something done that they did not care whether it is done or not. That is most unusual. I go back to November 15 last and recall what the Minister of Trade and Commerce (Mr. Howe) said to this house, to which I will refer in a moment. The government can dominate us because they have a majority; they can consider as naught the rules of this house because they have a majority; but that is not parliament.

I do not know why private members should be discriminated against in this manner. I agree with what the leader of the opposition has said, that if—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: The leader of the C.C.F. (Mr. Coldwell)—I was speaking of the leader of the opposition—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: —so hon. members are a little early in their exhibition of levity, even though they do show a high degree of interest in what I am saying.

I am in entire agreement with what the acting leader of the opposition has said in this regard. We are fighting for our rights. We have the right and the people of Canada have the right to have all private bills and all private motions considered on equal terms. The government says that there are no outside influences. I have never seen a government so much given to playing fast and loose with the rules as this government has in connection with the pipe lines. The Prime Minister had an opportunity today to clear up the matter.

Mr. Howe: Defensive obstruction this is.

Mr. Diefenbaker: Now we hear the voice of the greatest parliamentarian of these times. He regards parliament as just a necessary evil. He regards the debates in parliament as worthless. That is his attitude.

Mr. Howe: It depends on who is debating.

Mr. Diefenbaker: That is true. This is the first time the minister has admitted that there is only one side so far as parliament is concerned. That has always been his attitude, and that is one of the first signs of the idea of a one-party state.

An hon. Member: Save that for the convention.

Mr. Diefenbaker: Going back to last November 15, the Minister of Trade and Commerce, with a cavalier disregard of parliament, said: We are going to get this thing through.

Mr. Howe: Mr. Speaker, if the hon. member is quoting me, let him read what I said.

Mr. Diefenbaker: I have just stated what the minister said.

Mr. Howe: I did not say that.

Mr. Diefenbaker: Well, all one has to do is read *Hansard* for November 15, 1949. The minister said: We are going to have this matter voted upon.

Some hon. Members: Read it.

Mr. Diefenbaker: I am conducting my own argument.

Mr. Speaker: I must point out that if an hon. member denies that he said what has been credited to him by another hon. member, that denial must be accepted.

Mr. Diefenbaker: But the statement by the minister was no denial. All he said was, "Read what I said," and I ask him to read what he said at page 1806 of *Hansard* for last fall.

Mr. Speaker: I understood the Minister of Trade and Commerce (Mr. Howe) to say he did not make the statement mentioned by the hon. member. If my understanding is not correct of course I shall withdraw my remark.

Mr. Howe: I did not use the words used by my hon. friend.

Mr. Diefenbaker: No; I gave the purport of the words.

Mr. St. Laurent: Read them, and each of us will judge for himself the purport.

Mr. Diefenbaker: I stated that the Minister of Trade and Commerce said he intended to have this matter come to a vote in the house. If he says he did not say that I shall read his statement:

I should like also to say a word about what seems obviously to be a filibuster in connection with these bills. The government will not permit any small number of members to prevent this house as a whole from voting on a private bill. If these bills continue to be talked out in the limited time permitted for private bills, the government will ask the house to suspend the rules—

Some hon. Members: "Ask the house."

Mr. Diefenbaker: I am glad my hon. friends interrupted, because there is a little more:

—and provide whatever time is required to finish the discussion and to obtain a vote on such bills.

Mr. Pouliot: On a question of order, Mr. Speaker, the hon member for Lake Centre (Mr. Diefenbaker) has stated from his place in this house that the Minister of Trade and Commerce said last session he wanted that legislation to pass. Then, after hesitation and tergiversation he decided to read *Hansard*; and when he did so he did not find at all what he had said.

Mr. Green: No point of order there.

Mr. Pouliot: In that statement the minister was insisting that a vote be taken, which is entirely different from insisting on the passing of any bill. Read it correctly.

Mr. Diefenbaker: Mr. Speaker—

Mr. Pouliot: No falsification.

Mr. Diefenbaker: That is right; and may the disciple be the first to learn his own philosophy.

Mr. Pouliot: You cannot be the teacher.

Mr. Diefenbaker: As I said when I rose, Mr. Speaker, this is not a question in relation only to the pipe lines, in the debate on which I have taken no part. I do believe that in singling out these two bills, as in effect they are singled out for special attention in this house, and denying equal rights to all private members, the government is playing fast and loose with rules which ancient custom has shown are necessary to guard against the majority of a government, if parliament is to carry out its responsibilities and in doing so preserve freedom.

Mr. Daniel McIvor (Fort William): After the attendance in the house yesterday, Mr. Speaker, it is a revelation to me to see the interest shown in this resolution. When I came into the house yesterday before the vote was taken there was barely more than a quorum of members. Why? Because they were not interested. Then what is the reason for this commotion now. When we have wasted our time we cannot have it.

Mr. J. W. Noseworthy (York South): There are just two questions I have in mind, Mr. Speaker, that I would like cleared up. One has to do with the concern evidenced by the government on behalf of two private bills, as opposed to thirteen public bills and orders and twenty-five resolutions. There is no doubt that the resolution now before us definitely gives preference to two particular private bills over those public bills and orders and resolutions I have referred to.

Much has been said about these private bills having been talked out. During the four years I have sat in this house it has been an accepted practice for the government to talk out any private bill or resolution of which it does not approve. Year after year I have listened, as other members have listened, while cabinet ministers and government supporters have talked out private bills and resolutions to which they were opposed. That is nothing unusual in this house, and I am wondering why the government draws such a distinction between that practice and what has happened to these private bills in question which, as has been said already, have outside financial interests backing them, whose representatives were around this building day after day while those bills were before the house. Is there any connection between the fact that the representatives of those interests were visiting around this house while those bills were before us, and the action of the government? Why not? Or is it a mere coincidence that the government should favour these two bills?

There is another question I want to ask. By the introduction of this resolution it becomes quite evident that the government is anxious to get through the business of the session so hon. members may return home. Let me remind those on the government side of the house that we are elected and sent here to carry on the business of this house and are expected to stay here as long as that business requires, even if it takes twelve months a year. Let me remind the Liberal members of this house that there are plenty of men in this country, just as capable as many of us who sit in this house, who work 365 days per year for less than we members of parliament are receiving to conduct the business of this country. This manipulation

of the rules of the house in order to hurry through government business will not enhance the reputation of this parliament.

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

YEAS

Messrs:

Argue	Herridge
Aylesworth	Higgins
Balcer	Hodgson
Beyerstein	Johnston
Blackmore	Jones
Blair	Knight
Browne (St. John's West)	Knowles
Bryce	Lennard
Casselman	Low
Charlton	Macdonnell (Greenwood)
Coldwell	MacInnis
Coyle	McGregor
Diefenbaker	McLure
Fair	Noseworthy
Ferguson	Pearkes
Fleming	Poulin
Fraser	Quelch
Fulton	Ross (Souris)
Gagnon	Shaw
Graydon	Stanfield
Green	Stewart (Winnipeg North)
Hansell	Thatcher
Harkness	Thomas
Harris (Danforth)	Tustin
Hatfield	Wright—50.

NAYS

Messrs:

Anderson	Fontaine
Applewhaite	Fournier (Hull)
Ashbourne	Fulford
Bater	Gardiner
Benidickson	Garland
Bennett	Garson
Bertrand	Gauthier (Lake St. John)
Blanchette	Gauthier (Sudbury)
Boisvert	Gauthier (Portneuf)
Boivin	George
Bonnier	Gingras
Boucher	Gingues
Bourget	Goode
Bradette	Gosselin
Bradley	Gour (Russell)
Brisson	Gourd (Chapleau)
Brown (Essex West)	Gregg
Bruneau	Harris (Grey-Bruce)
Byrne	Harrison
Cameron	Hellyer
Campney	Helme
Cannon	Henry
Carroll	Hetland
Cavers	Howe
Chevrier	Hunter
Cote (St. Johns-Iberville-Napierville)	Isnor
	Jeffery
Croll	Jutras
Darroch	Kent
Dechene	Kickham
Denis	Kirk (Antigonish-Guysborough)
Dewar	
Dickey	Kirk (Digby-Yarmouth)
Dion	Lafontaine
Douglas	Laing
Eudes	Langlois (Gaspe)
Eyre	Lapointe
Ferrie	Larson
Follwell	Lefrancois
Leger	Proudfoot
Lesage	Richard (Ottawa East)
Little	Riley
MacDougall	Roberge
MacLean (Cape Breton North and Victoria)	Robertson
	Robinson
MacNaught	Rooney
Macnaughton	Ross (Hamilton East)
McCann	Simmons
McCulloch	Sinclair
McCusker	Sinnott
McIvor	Smith (York North)
McLean (Huron-Perth)	Smith (Moose Mountain)
McWilliam	Stewart (Yorkton)
Major	Stick
Maltais	Stuart (Charlotte)
Martin	Tremblay
Matthews	Valois
Maybank	Ward
Mayhew	Warren
Monette	Weaver
Mott	Weir
Murray (Oxford)	Welbourn
Murray (Cariboo)	Winkler
Mutch	Winters
Nixon	Wood—128.
Pearson	

Mr. Speaker: I declare the amendment lost.

Mr. Mitchell: I was paired with the hon. member for Waterloo South (Mr. Homuth). Had I voted, I would have voted against the amendment.

Mr. Cruickshank: I was paired with the hon. member for Medicine Hat (Mr. Wylie).

An hon. Member: What about it?

Mr. Catherwood: I was paired with the hon. member for Kent, Ontario (Mr. Huffman). Had I voted, I would have voted for the amendment.

Mr. Smith (Calgary West): I was paired with the hon. member for Edmonton East (Mr. Macdonald). Had I voted, I would have voted for the amendment.

Mr. Black (Chateauguay-Huntingdon-Laprairie): I was paired with the hon. member for Huron North (Mr. Cardiff). Had I voted, I would have voted against the amendment.

Mr. McCubbin: I was paired with the hon. member for Middlesex East (Mr. White). Had I voted, I would have voted against the amendment.

Mr. Stanley Knowles (Winnipeg North Centre): Before the question is put on the main motion, Mr. Speaker, I rise to move another amendment to it. The motion in the form in which it stands is still, in our view, discriminatory. It takes away private members' Wednesdays from now on, and that is the day on which private members' resolutions normally would come before the house. It takes away next Monday when the pipe line bills are out of this house but it

restores Mondays as from the Monday following until the government decides to introduce another motion. In other words, the form of the motion as it is now before the chair still involves discrimination as between private members' resolutions on matters of public policy and private bills which seek the incorporation of private companies.

In the course of one of the debates last fall on a similar matter, the Prime Minister (Mr. St. Laurent) objected to an amendment of mine which would have had the effect of affording another day's discussion—and perhaps a decision by the house—on the motion for federal aid for education, saying that no motion could be put through the house that would give special privilege to any particular resolution or bill. Yet we now have before us a motion which would do the very thing which the Prime Minister said must not be done, namely, a motion which gives special privilege to these pipe line bills by restoring Mondays as from a week this next Monday until these pipe line bills are through this house.

I feel that the views expressed today by my leader, the hon. member for Rosetown-Biggar (Mr. Coldwell), by the hon. member for Vancouver East (Mr. MacInnis) and by others who have spoken are not at all too strong in the condemnation that has been uttered of the way in which the rules of this house are being played with fast and loose. I feel too, Mr. Speaker, that it is a travesty on what parliament is supposed to do, that a parliamentary majority is being used to put through motions of this kind. It does seem to me that members of that majority party should take stock of their position. I think they should realize that when they time and again vote the way in which the government wants them to vote they are making it clear that their purpose in this institution is not very effective.

I suggest to some of these hon. members that if they want to carry weight with the government the thing for them to do once in a while is to vote against the government. The government pays no attention to members who always do what it wants them to do. It pays far more attention to members who vote against it once in a while.

Some hon. Members: Oh, oh.

Mr. Knowles: I hear certain hon. members laughing at that suggestion. I remind those who were here in the last parliament when the majority was a little slimmer that their weight with the government was much greater than it is now; because that majority was so slim that the government at times had to yield to some of their suggestions.

I repeat, Mr. Speaker, that it is a crying shame the way the overwhelming majority of this parliament is being used. It is being used as a rubber stamp. I want to urge upon hon. members that they look at this motion that is now before the house and realize how discriminatory it is, not in favour of the subjects that are covered by private members' resolutions, and which their constituents are interested in, but in favour of private bills that seek the incorporation of private companies.

A few days ago someone sent me a clipping, which I had seen before, from the *Reader's Digest,* in which there were listed a number of interesting letters that had been sent to members of congress at Washington. Probably a good many hon. members have seen it. I remember one in particular. I do not have it before me, but it went something like this: "Dear Mr. Congressman: You have never met me. You do not know me at all. Surely you can have nothing against me. Why then do you always vote against the things that I want?"

I think such letters could be written to many of the members of the majority party in this house by their constituents. Their constituents must wonder why it is that time and again they vote the way they do.

I submit that we are giving to the members of that majority one more opportunity to show their independence.

Some hon. Members: Oh, oh.

Mr. Knowles: There seems to be a bit of laughter. Apparently independence is not something they want.

We have already made it clear that in our view private members' days should not be taken away at all. We accepted the point of view put forward last night by the Minister of Public Works (Mr. Fournier), to the effect that it was desired to debate the budget next week, and on the basis of that we could see some sense in a motion that would take Monday and Wednesday of next week and make them government days; but by our previous amendment we suggested that that is as far as they should go. The whole point of our previous amendment was to eliminate the discrimination involved in the motion moved by the Prime Minister. The house has turned that down, but we now give hon. members the opportunity to eliminate that discrimination in another way. We now say: If you insist, against our wishes, against our judgment, on taking away all Wednesdays for the rest of the session, all right, play fair, take away Mondays too. If you are going to take away Wednesdays, the day on which private members' resolutions on matters of public policy

can be debated, play fair, take away Mondays, which are being retained only for the purpose of getting these pipe line bills through. Therefore, Mr. Speaker, to give effect to that attempt to get the discriminatory element out of this motion, to get away, if we possibly can, from this playing with parliamentary rules and procedure for private interests, I move, seconded by the hon. member for Melfort (Mr. Wright):

That the motion be amended by inserting therein immediately after the word "every" in the second line thereof the words: "Monday and".

You will readily realize, Mr. Speaker, that the effect of the amendment would make the motion then read:

That on Monday, April 24 next, and on Wednesday, April 26 next, and every Monday and Wednesday thereafter to the end of the session, government notices of motions and government orders shall have precedence over all other business except introduction of bills, questions by members and notices of motions for the production of papers.

I want to say this further word in reply to the hon. member for Yorkton (Mr. Stewart), who expressed the desire to get on with government business. He said in particular that he wanted to deal with the estimates. Well, here is his chance. If the Prime Minister's motion, without my amendment, carries, Mondays are going to be spent debating pipe line bills; but if my amendment carries Mondays will be available for government business such as the estimates. That is what he wants. I put it to him. If he meant what he said, here is his chance to give effect to it.

Mr. Ferguson: He didn't know what he said.

Mr. Knowles: I want to say this further word, Mr. Speaker. I do not like to see this house pass, at this stage of the game, a motion that takes away private members' days at all. In fact I will vote against the main motion if it is not amended in the form I have suggested. Let me say clearly that when we are confronted with a motion by the government that proposes to take away private members' Wednesdays I am against their doing it. But they are proposing to do it, and I suppose with their large majority it will go through. My point therefore is that if private members' Wednesdays, when private members' resolutions on matters of public policy could be debated, are to be taken away, private members' Mondays, which are being reserved only for pipe line bills, should also be taken away. My motion calls for an end to the discriminatory feature of this motion.

Mr. R. R. Knight (Saskatoon): Before the amendment is put may I say that some reference was made by some hon. members a moment ago to the private member's motion that I introduced last year. I should like to give the house the facts regarding that, particularly in view of what has been said this afternoon by the Prime Minister (Mr. St. Laurent). As I say, last session I introduced a private member's motion which would give support to the idea of federal aid to education. At that time the Prime Minister was kind enough to add something to it. In fact, speaking to it, he said that it was a subject of vital importance, and that no doubt many hon. members on all sides of the house would favour another opportunity to discuss it. Thus it was that at the request of, I believe, the hon. member for Winnipeg North Centre (Mr. Knowles), the procedure at the end of the debate was changed a bit—which was somewhat unusual—so that a way was left open for resumption of that particular debate. At the time, this seemed very satisfactory to me personally, but later we learned, either that the Prime Minister had changed his mind, or that, urged by the necessity of proceeding with government business, he had decided that the procedure should be changed. At any rate he refused the plea for another period on my resolution on two grounds: one, that government business was behind schedule, and that we would have to get on with it; and two,—and this is the point that I rose to draw to the attention of the house, and I would ask hon. members to note it—that no private resolution or bill could take precedence over any other. In view of what the Prime Minister has proposed this afternoon, and the remarks that he made in backing up his proposal, I thought that that fact should be brought to the attention of the house.

At page 1223 of *Hansard* for 1949, I find some comments by the Prime Minister (Mr. St. Laurent). I would remind the house that he was speaking against an argument which had been offered by the hon. member for Winnipeg North Centre (Mr. Knowles), who was proposing that a particular resolution should have further consideration which the Prime Minister had promised it would have. These are the words of the Prime Minister on that occasion:

I do not think that it would be a good precedent to have the house decide that any one of these academic resolutions—

I notice he described it as an academic resolution—

—submitted by hon. members should have precedence over the other. The rights of each member are equal, and when there is an opportunity for those rights to be exercised, it seems to me that they should be exercised according to the provisions of the standing orders.

And then a few lines farther down on the same page the Prime Minister is recorded to have said:

> There should not be a day especially set aside for the continuation of the debate on the resolution of the member for Saskatoon.

May I suggest respectfully to him, if I may paraphrase his words, that there should not be a day especially set aside for the continuation of the debate or the business of the pipe lines companies.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I would not take part in this discussion had it not been for the fact that this afternoon we have heard a repetition of what has been occurring with increasing and disturbing frequency in this session, as it did at the last one, in the form of threats from the government, from the ministerial benches, to take advantage of their position so as to alter or to invoke certain rules with a view to influencing the course of discussions to bring about certain results.

That situation has become sufficiently serious that every hon. member in the House of Commons should make known his position with respect to it, and should make known his insistence that the rights and privileges of private members on all sides of the house should be respected and preserved.

I refer now particularly to the statement made last session by the Minister of Trade and Commerce (Mr. Howe), which has been referred to already by the hon. member for Lake Centre (Mr. Diefenbaker), that the government would, if it felt so inclined, change the rules and force a vote on the particular pipe line bills then under discussion; and that it would amend the rules or move a motion to suspend them in order to bring about that result.

This afternoon we heard the Prime Minister (Mr. St. Laurent) enlarge the threat when he suggested that if the discussion on the pipe line bills were to be continued they might have to invoke closure. The Prime Minister cannot be taken to have been speaking at that particular time in the heat of the moment—although a few minutes later he did speak with considerable and elaborate heat.

At that particular time however he was speaking carefully and deliberately, with marked sarcasm as a matter of fact, with respect to the time which had been taken in the discussion on the pipe line bills, and using that as an argument in justification of the motion now before the house to take away next Monday and Wednesday, and every Wednesday thereafter, from private members for the discussion of private members' business.

[Mr. Knight.]

He went on to speak elaborately and deliberately as to one course which might be followed to shorten the discussion on the pipe line bills. He made his threat at that time, that if this course were persisted in, if hon. members persisted in their right to discuss bills with respect to which they have strong feelings, the government might invoke closure. When we see the threat to suspend certain rules so as to bring about certain results, followed by the threat to invoke closure—which has not been invoked for at least a score of years—then I think it is time private members realized the danger we are in and refused to submit this early in the session, on the thirty-ninth sitting day, to the removal of the right to discuss private members' resolutions.

That was the effect of the first amendment offered by the hon. member for Rosetown-Biggar (Mr. Coldwell). That amendment having been defeated, I think it is still open to us and it is still our obligation to protest against manipulation of the rules so as to give certain legislation, certain private members' proposals, the advantage over other proposals—a threat to manipulate the rules to bring about the results which are desired, but which could not be brought about if the rules were left undisturbed.

It is difficult to decide which of the two is worse, the removal altogether of the time available to private members, or this manipulation of rules so as to give favours and privileges to some which are denied to others. Of the two, if any distinction can be made, I believe the latter is worse than the former. I have no hesitation whatever in supporting the amendment just moved and, if it is defeated, in voting against the main motion.

Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, most hon. members in beginning their speeches have said that they had not intended to take part in the debate. I have been provoked into it, as I have been provoked into many debates, by the sanctimonious attitude taken by the hon. member for Winnipeg North Centre (Mr. Knowles) over this independence of Liberal members.

I have been in the house for ten years, and during that time I have had my share of standing on my own feet against my party when I, personally, have thought it was the right thing to do. Hon. members will recall there have been many occasions on which other private members of the Liberal party, and of the Conservative party, and of the Social Credit party, have stood up and voted against their own party policy. But never once in my ten years in this House of

Commons have I ever seen any C.C.F. member stand up and vote against his party's policy. They go blindly down the party line —just as blindly as any communist from Moscow.

I am glad to give examples. I have acquired a few examples as the years have gone by, because the accusation is always made against the Liberal party, and against Conservative and Social Credit members.

Mr. Thatcher: Mr. Speaker, on a question of privilege, the hon. member has said that he does not know any C.C.F. member who has voted against party policy.

Mr. Speaker: The hon. member will have an opportunity to speak later on, at which time he may make the denial.

Mr. Sinclair: I am glad the hon. member has risen, because the first two notes I have here refer to the hon. member for Moose Jaw (Mr. Thatcher) who is the only C.C.F. member ever to show even a spark of independence. Hon. members who were here in 1945 will recall the brief and violent speech he made at that time against the British loan. The gist of that speech was that rather than lend the money to Britain we should be spending it on an irrigation and sewerage project for Moose Jaw.

Mr. Thatcher: That is not right.

Mr. Sinclair: It was a source of alarm to his leader who dissociated his party from the member's speech. But when the actual vote came, the hon. member for Moose Jaw was away, fishing. The hon. member for Comox-Alberni (Mr. Gibson), who was his pair, stood up and said that, had he voted, he would have voted for the British loan, so his pair from Moose Jaw was against it.

Once again the hon. member for Moose Jaw showed the only kind of feeble independence that has been shown in the C.C.F. party. He showed it not so long ago, not in connection with C.C.F. policy, but on an amendment moved by, I believe, the leader of the Social Credit party, when it did not include the word "contributory" in an old age pension scheme. He has had to do a lot of explaining to his C.C.F. colleagues and to C.C.F. clubs as to why he broke, not the party line, but the party vote on a Social Credit amendment. I have other cases of blind party allegiance in the C.C.F. which I shall draw to the attention of the house, so that no longer will we hear these cheap jibes given by them.

Back in British Columbia we saw the beginning of the C.C.F., in 1933, as they did in Saskatchewan. They had laid down party policy, not according to Marx but according to Regina. It is interesting to note that in British Columbia there were some leaders in the party including Mr. Connell, Mr. Swailes, Mr. Bakewell and Mr. Taylor—almost half the party representation in the House of Commons and the legislature—who had the independence and the courage publicly to disagree with certain minor parts of C.C.F. policy. What happened to them was the same thing that has happened to all socialists whether they be Marxist socialists or C.C.F. socialists; they were purged. The only difference was one of degree—the Marxist socialists liquidate; these socialists excommunicate. These people were purged out of the party, by formal declaration. Does any member recall anyone being purged out of the Liberal or Conservative parties?

Hon. members will recall other C.C.F. purges in other provinces. They had a purge in Manitoba and excommunicated two provincial members. About a year ago they had a purge in Saskatchewan of one member because he did not toe the party line blindly. As with the communists, one deviation and out you go. Hon. members will even recall the example right here in this House of Commons. I think every hon. member respects the hon. member, who at one time was a Liberal but, for reasons not known to many, joined the C.C.F. party. He ran once or twice unsuccessfully as a C.C.F. provincial candidate. Finally he got elected to the provincial legislature as the member for Trail. Then the time came when he wanted to expand his horizon to the federal parliament, but that was not permitted by C.C.F. policy. There was one little C.C.F. local bylaw which said that a member could not resign if he held a legislative office. The member ran but he was purged by the C.C.F., not for deviating from party policy, but for breaking one little party regulation.

The C.C.F. then broke their own rules by putting up against him a school teacher who had been a member for only six months although the rules stated that a candidate should be a member for two years. The hon. member for Kootenay West ran anyway and because of his record he came to this house despite the official C.C.F. Some of us remember him sitting forlornly in the far corner. Then apparently there was an attempt to lure him back because he seemed to be carrying a lot of weight in Ottawa, and so would be an asset to the C.C.F. There were some members who took the stump against him at that time. I have in my office clippings showing what the hon. member for Vancouver East (Mr. MacInnis) said in the 1945 elections about this quisling who had deserted the C.C.F. forces. What he said was

mild compared to what Mrs. Steeves, C.C.F. president in British Columbia, said against the present member for Kootenay West (Mr. Herridge).

Then the hon. member for Kootenay West returned to the fold, mainly I think at the request of the hon. member for Rosetown-Biggar (Mr. Coldwell) who knew his value. It certainly was not at the request of Harold Winch, the local leader, for according to the Vancouver *Sun* Winch insisted on him signing a letter never again to deviate from party policy. Yet this is the party that is talking so much of independence. These are the people who stand up and say, "Why don't the Liberals show a little independence? Why don't the Conservatives show a little independence? Why don't the Social Crediters show a little independence?"—when they themselves blindly follow the party line like communist sheep.

The hon. member for Winnipeg North Centre (Mr. Knowles) quoted from a letter to a United States congressman, who was asked, "Why do you always vote against the things we want?" Just to answer that I will give another example from the United States. The state of Oregon, which is two states south of British Columbia, had a referendum in which the people were asked if they wanted a means-test-free old age security pension of $50 per month at age 65. Of course the people were for it just like any member of the opposition who does not have to find the taxes to pay for such legislation.

Then there was a second referendum which asked for authority to raise the necessary taxes. With one accord the people said, "No." Then the state of Oregon was stuck with this very desirable thing, a means-test-free old age security pension, but was denied the finances with which to pay it. The same thing is true here. We are presented with many desirable measures which everyone knows would help a lot of people in our constituencies, and the province we come from and the country, but we are of course limited by financial considerations which actually means the real desire of the people of the country to pay as little taxes as possible. It needs the courage shown by the Minister of Finance (Mr. Abbott) and the treasury board in dealing with borderline cases of very desirable projects which are beyond our ability to pay; otherwise we would have the most fantastic tax bill in the world if every desirable measure put forward by members of the opposition were adopted.

Then a word with regard to my own attitude to the motion before us. Hon. members will recall that some two years ago I stood in my place and I was pretty hot about the effort being made to cancel Wednesdays and Mondays as private members' days. I had a public bill on margarine which I felt was rather important. A slight extension was then given and my margarine bill had a hearing.

Now I have been ten years in the house and I cannot remember a session in which there has been greater opportunity to discuss private members' resolutions and private and public bills than has been accorded this session. In the last two days we have seen some private members' resolutions go by the board because the hon. members sponsoring them were not ready to go on. That perhaps lends a little substance to the suggestion made by the hon. member for Peel (Mr. Graydon) that some of the resolutions are placed on the order paper only for window-dressing, that members do not really want them to come up for discussion.

As far as the pipe lines bills are concerned, this matter has been so well discussed that I do not need to repeat the stand I take. As a British Columbian I hope that there will be an all-Canadian line. I have said that after they go to the committee where technical experts are available for questioning if it is shown that a British Columbia line is financially feasible then on third reading I would vote against the bills for United States lines. I do not think there is any need for additional talk on the pipe lines because everything possible, for and against them, has been said again and again and again in this filibuster. When they come back for third reading there will be an opportunity to vote on them immediately and after to discuss again those private members' resolutions which are ready to be proceeded with.

I do not know what has been gained by this protracted pipe lines debate which has blocked other private members' resolutions and other private and public bills. I think the attitude of hon. members and all this parliament toward this protracted debate was shown the other evening when the hon. member for Vancouver-Quadra (Mr. Green) was speaking and it was indicated that there was not a quorum in the house. The fact that he was speaking may have been partly the reason for emptying the house, but I do think it was also because members had heard every argument repeated again and again. The hon. member for Waterloo South (Mr. Homuth), a Conservative colleague, unkindly drew the attention of the house to the fact that there were less than twenty members who were prepared to listen to the hon. member for Vancouver-Quadra.

Getting back to the precedence of government business, I was elected as a Liberal

though I received some of my votes on a personal basis. The same would apply to all hon. members elected mainly as supporters of their party policy. I repeat, I was elected as a Liberal, and so was the government. The country expects us now to go ahead with government business which is the business of the country. If the time comes when some other party replaces us that party will have the obligation of going ahead with government business and they too, after a fair hearing of private members, will have to move such a motion.

As I say, so far this session we have had a better break as far as private members' resolutions are concerned than in any of the ten years I have been in the house and so I think we should support the government on this motion. I am deeply grateful to the hon. member for Winnipeg North Centre for finally provoking me to rise to my feet to tell him what I think of the independence of the C.C.F. party—an independence which in this house has only meant slavish adherence to the official party line.

Mr. W. Ross Thatcher (Moose Jaw): Mr. Speaker, I shall take only one minute in which to object to some of the remarks made by the hon. member who has just spoken. At one time all Canada looked upon the hon. member as being one of the fiery Independents, but in the last year or two no one would look upon him that way. Since he got his parliamentary assistantship, since he got his trip to Europe, he has been one of the best Charlie McCarthys in the House of Commons. I will go so far as to say that he is almost as good as Mortimer Snerd these days.

I want to tell the hon. member that the members of this party are as free to vote as they like as are the members of any other party. I have exercised that right four or five times since I have been in this House of Commons, and I will exercise that right again if I want to. I do not think it is fair for the hon. member who has just spoken to bring up these old red tactics and suggest that in some way the C.C.F. is tied up with the communists. I give the hon. member credit for having more brains than that, although it may be I am giving him too much credit.

I want to say that we in this party are just as free as are the members of the Liberal party to vote the way we want to.

Mr. Sinclair: When?

Mr. Thatcher: Just a week ago I voted the way I wanted.

Mr. Sinclair: On a Social Credit amendment. Where is the C.C.F. independence? What other C.C.F. member can recall an independent vote?

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, reverting to the motion before the house, may I say that I feel the Social Crediters will have to vote against the amendment because if it passes it will shut off a discussion of the pipe line bills.

Mr. Speaker: No one has raised the question as to whether the amendment now before the house is in order. I am not going to rule it out of order although I doubt very much if it is in order. The motion before the house proposes to do away with one Monday as private members' day, and the amendment would do away with all Mondays as private members' days. I think such an amendment raises a new question which would require notice. Notice is required under standing order 45; but under standing order 46, under certain circumstances, a motion may be made without notice. Probably it would expedite the business of the house if the amendment were allowed to stand. I should like hon. members to understand, however, that I doubt very much whether it is in order.

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

YEAS

Messrs:

Argue	Higgins
Balcer	Hodgson
Blair	Jones
Browne (St. John's West)	Knight
Bryce	Knowles
Charlton	Lennard
Coldwell	Macdonnell (Greenwood)
Coyle	MacInnis
Ferguson	McGregor
Fraser	McLure
Fulton	Noseworthy
Gagnon	Pearkes
Gillis	Poulin
Green	Ross (Souris)
Harkness	Stewart (Winnipeg North)
Harris (Danforth)	Thatcher
Hatfield	Tustin
Herridge	Wright—36.

NAYS

Messrs:

Anderson	Bonnier
Applewhaite	Boucher
Ashbourne	Bourget
Bater	Bradette
Benidickson	Bradley
Bennett	Brown (Essex West)
Bertrand	Bruneau
Beyerstein	Byrne
Blackmore	Cameron
Blanchette	Cannon
Blue	Carroll
Boisvert	Cavers
Boivin	Chevrier

Corry
Cote (St. Johns-Iberville-Napierville)
Croll
Darroch
Dechene
Denis
Dewar
Dickey
Dion
Douglas
Eudes
Eyre
Fair
Ferrie
Follwell
Fontaine
Fournier (Hull)
Fulford
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Sudbury)
Gauthier (Portneuf)
George
Gingras
Gingues
Goode
Gosselin
Gour (Russell)
Gourd (Chapleau)
Gregg
Hansell
Harris (Grey-Bruce)
Harrison
Hellyer
Helme
Henry
Hetland
Howe
Hunter
Isnor
Jeffery
Johnston
Jutras
Kent
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
Lafontaine
Laing
Langlois (Gaspe)
Lapointe
Larson
Lefrançois
Leger
Lesage
Little
MacDougall
MacLean (Cape Breton North and Victoria)
MacNaught
Macnaughton
McCann
McCulloch
McCusker
McIvor
McLean (Huron-Perth)
McWilliam
Major
Maltais
Martin
Matthews
Maybank
Mayhew
Monette
Mott
Murray (Oxford)
Murray (Cariboo)
Mutch
Nixon
Pearson
Pouliot
Power
Quelch
Richard (Ottawa East)
Riley
Roberge
Robertson
Robinson
Rooney
Ross (Hamilton East)
Shaw
Simmons
Sinclair
Sinnott
Smith (Queens-Shelburne)
Smith (York North)
Smith (Moose Mountain)
Stewart (Yorkton)
Stick
Stuart (Charlotte)
Thomas
Tremblay
Valois
Ward
Warren
Weaver
Weir
Welbourn
Winkler
Winters
Wood—138.

Mr. Speaker: I declare the amendment lost. The question is now on the motion. Shall the motion carry?

Some hon. Members: No.

Mr. Speaker: Those in favour of the main motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

And more than five members having risen:

Mr. Speaker: Call in the members.

[Mr. Speaker.]

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

YEAS

Messrs:

Anderson
Applewhaite
Ashbourne
Bater
Benidickson
Bennett
Bertrand
Blanchette
Blue
Boisvert
Boivin
Bonnier
Boucher
Bourget
Bradette
Bradley
Brisson
Brown (Essex West)
Bruneau
Byrne
Cameron
Carroll
Cavers
Chevrier
Corry
Cote (St. Johns-Iberville-Napierville)
Croll
Darroch
Dechene
Denis
Dewar
Dickey
Dion
Douglas
Eudes
Eyre
Ferrie
Follwell
Fontaine
Fournier (Hull)
Fulford
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Sudbury)
Gauthier (Portneuf)
George
Gingras
Gingues
Goode
Gosselin
Gour (Russell)
Gourd (Chapleau)
Gregg
Harris (Grey-Bruce)
Harrison
Hellyer
Helme
Henry
Hetland
Howe
Hunter
Isnor
Jeffery
Jutras
Kent
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
Lafontaine
Laing
Langlois (Gaspe)
Lapointe
Larson
Lefrançois
Leger
Lesage
Little
MacDougall
MacLean (Cape Breton North and Victoria)
MacNaught
Macnaughton
McCann
McCulloch
McCusker
McIvor
McLean (Huron-Perth)
McWilliam
Major
Maltais
Martin
Matthews
Maybank
Mayhew
Monette
Mott
Murray (Oxford)
Murray (Cariboo)
Mutch
Nixon
Pearson
Pouliot
Power
Richard (Ottawa East)
Riley
Roberge
Robertson
Robinson
Rooney
Simmons
Sinclair
Sinnott
Smith (Queens-Shelburne)
Smith (York North)
Smith (Moose Mountain)
Stewart (Yorkton)
Stick
Stuart (Charlotte)
Tremblay
Valois
Ward
Warren
Weaver
Weir
Winkler
Winters
Wood—128.

NAYS

Messrs:

Argue
Aylesworth
Balcer
Beyerstein
Blackmore
Blair

Browne (St. John's West)	Johnston
Bryce	Jones
Casselman	Knight
Charlton	Knowles
Coldwell	Lennard
Coyle	Low
Diefenbaker	Macdonnell (Greenwood)
Fair	MacInnis
Ferguson	McGregor
Fleming	McLure
Fraser	Noseworthy
Fulton	Pearkes
Gagnon	Poulin
Gillis	Quelch
Graydon	Ross (Souris)
Green	Shaw
Hansell	Stanfield
Harkness	Stewart (Winnipeg North)
Harris (Danforth)	Thatcher
Hatfield	Thomas
Herridge	Tustin
Higgins	Wright—50.

Mr. Mitchell: I was paired with the hon. member for Waterloo South (Mr. Homuth). If I had voted, I would have voted for the motion.

Mr. Catherwood: I was paired with the hon. member for Kent, Ontario (Mr. Huffman). Had I voted, I would have voted against the motion.

P. E. I. FERRY SERVICE

INQUIRY AS TO SHUTTLE SERVICE DURING THE TOURIST SEASON

On the orders of the day:

Mr. J. W. MacNaught (Prince): I should like to direct a question to the Minister of Transport. Has any decision been made regarding the request that both the S.S. *Prince Edward Island* and the Q.S.M.V. *Abegweit* operate on a shuttle service during the tourist season on the run from Borden to Tormentine?

Hon. Lionel Chevrier (Minister of Transport): Yes, Mr. Speaker. There is no doubt that a double ferry would assist in building up tourist traffic, and the only objection is the heavy expense involved. However, it has been represented by certain individuals that additional revenues would cover expenses. Because of that I am authorizing the Canadian National Railways to arrange for the operation of the S. S. *Prince Edward Island* as a second ferry from June 15 to September 15 of this year only as an experiment, and I am instructing the Canadian National Railways to maintain records to establish the net financial results of the operation of a second ferry this year, and if the operating costs are not offset by additional revenues it is distinctly understood that the double service will not be authorized in 1951.

Inquiries of the Ministry

THE GOVERNOR GENERAL

QUESTION AS TO APPOINTMENT OF CANADIAN

On the orders of the day:

Mr. E. D. Fulton (Kamloops): May I ask the Prime Minister if he will tell the house whether or not an assurance has been given to any member or group of members in this house, as reported in the press, that the next governor general will be a Canadian?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I anticipated that someone might have taken notice of a dispatch in the *Gazette*, which was also referred to last evening in an editorial in the Ottawa *Journal*. I assume that the hon. member's question has to do with this editorial. The dispatch referred to was as follows:

> Quebec members of parliament say they have received government assurances that Canada's next governor general will be a Canadian.
>
> These assurances were given privately after a group of Liberal members of parliament had pressed for a full scale debate on the issue at the present session of parliament.
>
> Plans for the debate have now been quietly shelved.

Well, I am one of the Quebec members of parliament, and no one has given me that assurance, and I do not know of its having been given to anybody else. All I do know is that some weeks ago someone suggested that it might be a good thing to have a debate in the house on this matter, and I said that I did not think it would be a good thing; that I did not think it was a proper matter to be debated in the house. That is all I have heard about it.

IRON ORE

SALE OF 300,000 TONS FROM BELL ISLAND, NEWFOUNDLAND

On the orders of the day:

Mr. G. F. Higgins (St. John's East): I should like to direct a question to the Minister of Trade and Commerce. I have not given him notice of it. It arises out of an answer he gave me on Monday. I wonder whether he is able to amplify the answer. If he can I shall be very pleased. It has to do with the sale of Bell Island ore. The minister said that at the time he had not received information. Would he be good enough to tell me what information he now has concerning it?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The situation is unchanged from the time I last replied to the hon. member on this matter on April 17.

Canadian Wheat Board Act

CANADIAN WHEAT BOARD ACT

AMENDMENTS RESPECTING CONTROL OF ELEVATORS AND RAILWAYS, ETC.

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved that the house go into committee to consider the following resolution:

That it is expedient to present a bill to amend the Canadian Wheat Board Act, 1935, *inter alia*, to extend the provisions of "Part II—Control of Elevators and Railways" to August 1, 1953; to extend the definition of "pool period" to include each crop year subsequent to July 31, 1950, and prior to August 31, 1953; to vary the payments by the board to producers selling and delivering wheat produced in a designated area; to extend the provisions of "Part IV—Regulation of Interprovincial and Export Trade in Wheat," to August 1, 1953; and to substitute a schedule of mills and warehouses declared works for the general advantage of Canada for the present schedule to the act.

Mr. Coldwell: Is the minister going to make a statement?

Mr. Howe: I had understood that the afternoon was set apart for a discussion of this subject. There is a great deal of interest in the country, as I know from my correspondence, as to what the bill amending the wheat board act contains. I had hoped that I could make rather a comprehensive statement on the position of wheat marketing today and a forecast of what we might expect during the marketing of the next crop. However, hon. members have indicated they are not interested in wheat by taking the whole of the afternoon in debating procedure.

Mr. Diefenbaker: A most improper statement, as usual.

Mr. Howe: I have made the statement.

Mr. Graydon: Very improper, and the minister knows it is very improper.

Mr. Howe: The position is this. I would like to bring the bill down. There will not be another opportunity for at least ten days, and perhaps not—

Mr. Diefenbaker: Because you want to go away at six o'clock.

Mr. Howe: My hon. friend has made engagements outside this house, and I have one myself. My hon. friend is absent from this house very frequently to keep outside engagements.

Mr. Diefenbaker: Yes, but I am objecting to any suggestion that we held up any discussion on wheat.

Mr. Howe: You knew the program. The position is this. If the house would pass this resolution and have the debate on the bill, rather than on the resolution, we would be able to bring the bill down now and make it public. If not, I will make a part of the statement, and then adjourn the remainder to sometime in the future. I think it would be helpful to those interested in the marketing of wheat to see the provisions of this bill. Therefore I would suggest that the debate be deferred until a later period. I am in the hands of the house.

Mr. Coldwell: There is only one objection to that course. It does give hon. members an opportunity to make suggestions to the minister which may have some influence on the legislation being brought down. That is the reason that we like to get a statement on the resolution.

Mr. Howe: I would like to make it. I am prepared to make it, but unfortunately I cannot be here this evening.

Mr. Coldwell: How long will it take?

Mr. Howe: The business of the house is planned for tomorrow. Next week we have the budget. After that I have an appointment on the Pacific coast, which I must keep. After that, I rather expect that I may have to go overseas.

Mr. Coldwell: How long will this take? I would make the suggestion that we might sit after six o'clock and give the minister an opportunity to speak, in view of the fact that he will be away on government business.

Mr. Howe: Very well.

Mr. Ross (Souris): Sit until it is completed.

An hon. Member: What about unanimous consent?

Mr. Howe: Do not let me strain the situation. If anyone objects, I shall not go on.

Some hon. Members: Proceed.

Mr. Howe: Mr. Speaker, in moving this resolution it may be appropriate to give the house a review of the wheat position as we find it today.

We are now drawing toward the close of the five-year producers' pool and the close of the four-year contract with the United Kingdom, and at this time we find that the Canadian wheat position is essentially sound. The test of soundness is what we have to sell in relation to the demand for it. In this regard we have not had large wheat stocks in Canada since the end of the war. By the date that our contract with the United Kingdom came into operation, our wartime surplus of wheat had been disposed of, and now at the end of four years we are still working with wheat stocks about as small as we had on hand when the four-year contract was negotiated. There appears to be an active demand for the small quantities

that remain to be sold from the 1949 crop. Apart from any other factors in the world wheat situation today, Canada will be entering into a new crop year next August without any burdensome legacy of unsold stocks from our previous operations, which is a sound position for us to be in.

Looking elsewhere about the world, production in Argentina has been declining almost steadily since before the war, and the exportable surplus from the Argentine crop harvested last January will not be large. The Australian crops have been faring better in recent years, following the droughts they experienced during the war, and the good-sized crop they harvested this year is readily marketable within the sterling area. We have heard rumours of good crops in the U.S.S.R. for the past two years, but whatever the results in that country we have not seen evidences of their intention to sell wheat for export outside the Soviet bloc, except in exchange for semi-strategic materials. The United States alone among the export producing areas is beginning to accumulate stocks of wheat, and it is predicted that the United States carry-over of wheat on June 30 next will be in the neighbourhood of 440 million bushels, as compared with 306 million bushels held on June 30, 1949. Ordinarily, 300 million bushels is regarded as a minimum carry-over below which that country cannot go with safety. On the other hand, the current forecast of winter wheat production in the United States is low in comparison with the production of recent years, which offsets the expected increase in carry-over. In the importing countries, wheat production is gradually becoming adjusted to more normal conditions, and the world trade in wheat and flour, which reached an abnormally high level of 975 million bushels in 1948-1949 crop year, is expected to be at a level of about 850 million bushels in the present crop year. Even at its present level, the world trade in wheat is very large in relation to the pre-war levels.

These essential facts should help to dispel some of the opinions loosely expressed these days to the effect that wheat is in a surplus position. We all know that abnormally large harvests in North America, if realized this summer, could contribute to a surplus situation, but unless this actually comes to pass we should continue to operate in a sound position.

Certainly the favourable position in which we find ourselves today has not always, nor has it usually, been the rule. Out of the experience of the early thirties we have had to devise means of handling surplus situations, and it was because of this experience that the Canadian wheat board was established. Up until 1943, the wheat board operated a voluntary pool, which was supplementary to the open market. Under wartime conditions, futures trading in wheat was discontinued, and since 1943, the Canadian wheat board has continued as the sole agency through which producers might market their wheat. This policy received full and careful review by this house during the 1947 session, when amendments were made to the Canadian Wheat Board Act which provided for the board being the sole marketing agency for wheat during the lifetime of the Canada-United Kingdom wheat agreement.

The agreement between Canada and the United Kingdom was entered into at a time when the prospects for sound marketing conditions were clouded by many uncertainties as to the way in which our principal customers, who have suffered the ravages of war, would be able to adjust themselves in the immediate post-war period. Although we had seen the effects of the pent-up demand from some of these countries after their liberation, there were no indications that this was more than a transitory situation. Our desire to obtain stability inspired a search for a more dependable basis in dealing with our customers than that of the seller taking all while wheat was scarce, only to be at the mercy of the buyer when surpluses returned. In our past experience, periods of scarcity were of much shorter duration than the periods of surplus.

The first step in the direction of dependable trading was taken when we entered into the four-year contract with the United Kingdom. This contract assured us a market, and assured the United Kingdom of supplies at negotiated prices, for a long period, and in this way served as an insurance policy to both contracting parties against instability, which could hardly have been insured against in any other way. Now that we are drawing toward the end of the contract period and can begin to evaluate the results, it is apparent that the United Kingdom has obtained the bulk of her wheat requirements for three of the four years at prices lower than she would otherwise have had to pay. On the other hand, we should not overlook the fact that if nothing more were to be paid from the five-year pool —and there will be another payment—our producers have had the best returns from wheat that they have had in any five-year peacetime period of their history.

We should not lose sight of the fact, however, that for the purpose of implementing our quantity guarantees to the United Kingdom under the contract, it was essential that the Canadian wheat board have authority over the direction of our wheat supplies, this authority having been granted first under the

provisions of the War Measures Act, and then in 1947 specifically by way of amendment to the Canadian Wheat Board Act.

An important element in our post-war policy on wheat, which was obscured by several factors at the time, was our desire to deal with all our normal customers for wheat on the same basis as we were prepared to deal with the United Kingdom. Had there been any means of making effective firm guarantees of supplies, we would have been glad to extend the provisions of our contract with the United Kingdom to other importing countries during that period. As it was, in 1946, this government actively sought to get ahead with the negotiation of a post-war international wheat agreement, but could find no concerted view among the other countries at the time that an international agreement should be made. Thus when we entered into the contract with the United Kingdom we did so in the knowledge that no arrangements of an international character could be secured at the time. Notwithstanding, reference to the final clause of the Canada-United Kingdom agreement will remind us that both countries envisaged that an international agreement might be reached, and that if this were accomplished, the terms of the contract would be brought into conformity with the terms of an international agreement.

I need not dwell upon the successive negotiations which took place to bring the international agreement into operation, beyond mentioning that over the three conferences which took place from 1947 to 1949, there developed among the other countries of the world a growing appreciation of the benefits which would accrue to exporters and importers alike if a stabilizing influence could be introduced into the world wheat trade. As a result, negotiation became possible of an agreement which was duly ratified and came into operation last August 1 for a four-year period ending July 31, 1953. This multilateral agreement is not dissimilar in nature to that of our agreement with the United Kingdom, except that a range of prices was adopted rather than a fixed price, and that by pooling together the export potentials of Canada, the United States and Australia, we were able to offer a four-year contract on equal terms to some thirty-six importing countries.

I hardly need to elaborate on what this agreement means to Canada. The agreement received the unanimous approval of this house a year ago. It is recognized as an experiment, which we all hope will succeed. It holds no panacea for all our wheat problems, nor does it settle the problem of exchange. There is no guarantee of its implementation beyond the commitments governments have given to carry out its terms. We are dependent upon their good faith. The agreement does, however, set a standard for reasonable prices to both buyers and sellers, and assures supplies to the buyers and markets to the sellers. As such it is well worth the best implementation we can give to it.

In the same way that it was necessary for the Canadian wheat board to direct wheat shipments, in order to fulfil our undertakings under the Canada-United Kingdom agreement, it is desirable that the board should retain control over shipments in order to implement our undertakings under the international wheat agreement. This is the reason for the proposal to extend these powers of the board for the duration of the international agreement. Such action on our part could only be interpreted abroad as an evidence of our good faith in carrying out our obligations under the agreement.

I have no doubt that questions will be raised over the need for control over deliveries and sales under the situation that we see ahead for the next few years. I would like to correct the impression, which seems to have arisen, that under this system the Canadian wheat board makes all the sales, and that we are wholly on a government-trading basis in respect of wheat, oats and barley. This is a mistaken impression of the board's activities. The board, in fact, uses some thirty-four grain firms as its agents. These comprise all the grain companies interested whose financial capacity, facilities and experience make them suitable for this business. All these private companies are authorized by the board to make ordinary commercial sales of wheat wherever they find an opportunity. Such sales are subject to the confirmation of the board, which is never withheld without cause. All the flour exported from Canada is sold on a commercial basis. In this way we are organized to take advantage of every private trade opportunity which presents itself in the merchandising of wheat and flour.

Mainly as an outgrowth of the war, however, trade in wheat still remains under the control of government agencies in many of the importing countries. During the present crop year we have made wheat sales to thirty-four countries and flour sales to seventy countries, including colonial territories. Including the United Kingdom, eighty-five per cent of these wheat sales have been initiated by government agencies in the importing countries with the Canadian wheat board. Leaving out the United Kingdom, more than half of the wheat sales were initiated on a government-to-government basis. Although there are some signs of a tendency to get

back to a basis of private trading, we still find that a majority of our customers prefer to settle their grain problems with an official agency, and if that continues to be their preference, it is obvious that we should maintain the wheat board to deal with them in that way. In any event, the grain companies which are agents of the board carry through with the actual movement of the wheat, and wherever there are buyers whose custom or preference is to deal through the private trade, we have the facilities to deal with them in that way. We should not overlook the fact that our principal competitors, Australia, Argentina and the United States, are set up to deal on a government-to-government basis, whether through boards like ours or through other government agencies, although the trend in the United States appears to be toward private trading.

Having the facilities to deal with our customers in whichever way they wish, I think we should also give consideration to the views expressed by representative producer organizations on the way in which their member producers prefer to have their crops marketed. I refer, in particular, to the representations made to the cabinet on February the 8th of this year by the Canadian Federation of Agriculture, following their annual convention at Niagara Falls. Their first two recommendations on the subject of wheat are as follows:

1. Believing in the soundness of the principle of international commodity agreements as exemplified in the international wheat agreement, we urge the government to maintain its active support of the agreement.

2. The provisions of the Canadian Wheat Board Act of 1935, as amended in 1946, providing for the Canadian wheat board as the sole marketing agency for wheat, expire July 31, 1950. We are convinced a very great majority of the farmers of the prairie provinces have a strong preference for the present system of marketing their wheat. We therefore urge the government to extend the present powers of the wheat board so that it may continue to be the sole marketing agency for wheat.

Thus we have the principal organization of producers recommending that the government continue its active support of the international wheat agreement, and also that the present powers of the board be extended so that it may continue to be the sole marketing agency for wheat.

By renewing the powers which at present expire on July 31 next for wheat, we also make possible the continuation of the wheat board as the sole marketing agency for oats and barley. In this regard, the Canadian Federation of Agriculture in its representations of February 8 recommended as follows:

The powers granted the Canadian wheat board (Bill No. 135) to act as the sole marketing agency for coarse grains expire on July 31, 1950. We recommend that the government extend these powers so that the board may continue to be the sole marketing agency for coarse grains.

It is just about a year since the legislatures of the three prairie provinces concerted their support by way of complementary legislation to the 1948 amendment to the Canadian Wheat Board Act, which had made it possible for the board to act as the sole marketing agency for western oats and barley. These operations were begun with the marketing of the 1949 crop, and the amendments in the proposed bill will give effect to what has been the recently and clearly expressed desire of the majority of producers in this regard.

What I have said so far has had to do with the situation as we find it, and the reasons for recommending continuation of the present powers of the board for another three years. I should now mention that the bill which is based on this resolution will contain other amendments, including provision for single crop-year pool periods for the next three years in the place of the five-year pool period which is just drawing to an end. Annual pool periods were originally provided in the act, and this was modified during the exceptional post-war circumstances when it appeared to be desirable to bridge over the transitional period with a five-year pool. With the termination of this longer-term pool I believe it desirable to revert to the system of annual pools, thereby permitting each crop to stand on its own feet. Provision will be made for setting the initial payment for each crop year, and for making interim payments, and there will be other amendments consequent upon bringing the act up to date and consistent with its effective administration. The details of these amendments may be more readily examined when the bill appears.

In my opening remarks I gave what is admittedly an optimist's view of conditions in the wheat markets of the world. Now that Canada has no long-term commitment from the United Kingdom, covering the larger proportion of our export surplus, it is obvious that the wheat board will find the task of disposing of our future export surplus in foreign markets more onerous than has been the case during the period of the United Kingdom contract. My introductory remarks were intended to show that the fundamental situation having to do with selling wheat in foreign markets will not be abnormal.

There is little doubt that we are passing from a seller's market to a buyer's market, in which there is not likely to be a shortage of supply. The situation will be helped by the international wheat agreement, which is intended to provide both a ceiling and a floor for wheat prices. The agreement has not been

tested under conditions of oversupply, but I for one believe that the agreement will have a stabilizing effect on wheat prices.

One can be either an optimist or a pessimist about the ability of Canada to dispose of her wheat at reasonable prices in the trading world of today. I prefer to be an optimist. In fact, if I were not an optimist at this stage, I would be a poor selection for the minister in charge of our wheat-selling organization. I believe that we can sell our surplus wheat at prices that will return a profit to our farmers in the future as we have in the past. The reputation of Canadian wheat is unquestioned in world markets. Under the trading conditions of today, price and quality are not always the determining factor to the extent that they were in pre-war days, but price and quality still count for much. Canada has established a reputation in world wheat markets for fair dealing, which will stand us in good stead. The deficit countries of the world will continue to require wheat, and I believe that Canadian wheat will continue to find a market in those countries. The Canadian wheat board has demonstrated its ability to handle Canada's wheat marketing problems efficiently, and I have every confidence that this ability will be further demonstrated in the years to come.

Therefore I hope that these proposed amendments to the wheat board act, which are recommended by the Canadian wheat board, will commend themselves to the house.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I am sure hon. members listened with much interest to the report on the wheat situation that has been given by the minister. I intend to move the adjournment of this debate, but perhaps I might be given just one minute to follow the minister and say I am sure the farmers of western Canada would have been very happy had he been able to announce that the initial price for wheat for the crop year 1950-51, now fixed at $1.40 a bushel, would be increased to $1.55. Having regard to the optimistic statement he has just made, I think such an initial price could and should have been fixed. If I might mention one other matter, I feel the government should give consideration to an interim payment by the wheat board this spring in order to alleviate the situation which is prevalent on the prairies, where drought has played such havoc.

Having said those two things, sir, I move the adjournment of the debate.

Motion agreed to and debate adjourned.

At six o'clock the house took recess.

[Mr. Howe.]

AFTER RECESS

The house resumed at eight o'clock.

WAR VETERANS ALLOWANCE ACT

PROVISION OF BENEFITS FOR CERTAIN FORMER MEMBERS OF FORCES OTHER THAN CANADIAN

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

Resolved, that it is expedient to present a measure to amend the War Veterans Allowance Act, 1946, to provide benefits for certain former members of His Majesty's forces other than Canadian and for certain former members of the forces of His Majesty's allies or of powers associated with His Majesty, which forces participated with Canada in wars concluding on or before the 31st day of August, 1921, who have resided in Canada for not less than twenty years, and to provide further for decentralizing the administration of the act.

Mr. Pearkes: Will the minister make a statement before you leave the chair, Mr. Speaker?

Mr. Gregg: Mr. Speaker, I do not think there is very much I need say at this stage, or at any stage, regarding this resolution except to commend it to the house. Within the resolution are two clear-cut principles which I desire to have incorporated into the War Veterans Allowance Act. The first principle is a further extension of eligibility, and the second principle is a decentralization of administration. The government proposes here an extension of eligibility to include those veterans referred to in the resolution now before us. The veterans in this new group were admitted into Canada as immigrants, most of them between 1920 and 1930; a very few of them came prior to 1920, and not so very many after 1930.

It will be remembered that in the twenties there was a fairly vigorous ten-year period of immigration. The total number of immigrants during those ten years, men, women and children, from the countries applicable to this resolution, was about twice as great as for the next fifteen years, 1930 to 1945. Hon. members may ask how many veterans will become recipients of war veterans' allowance under the proposed amendments. It is very difficult to be exact. Estimates have been made by various veterans' organizations, and the department has done a bit of research work as well. There is no exact record on file as to the numbers of our citizens who are veterans of any particular classification except pensioners, recipients of war veterans' allowances, and others with whom we are in touch by mail. Steps are being taken, however, to get such information in the 1951 census. However, the best estimate that we are able to procure for the

present is that approximately 3,000 recipients may be added to our war veterans' allowance rolls during this year. At the same average as our present recipients, namely $650 per year, this will mean an additional annual cost of war veterans' allowance of nearly $2 million. This will make, for this year 1950-51, for war veterans' allowance, a grand total of nearly $25 million.

During the fifteen-year period between 1930 and 1945, the total immigration was less than half what it was during the ten preceding years. So if the number of those who may qualify as being in the country now twenty years or more is in the vicinity of 3,000, as I have suggested, then it is reasonable to suppose that approximately another 1,500 veterans may come into receipt of allowances during the next fifteen years.

The members of the new group will be veterans who have actually engaged in fighting in wars in which Canadians also participated. The recipients will be men who were admitted under our federal immigration laws. They will have spent at least twenty years in our country and will have come, I am sure, to consider themselves as Canadians. They will have had a part in both the responsibilities and the advantages of our Canadian life. For one reason or another these new recipients will have fallen upon bad times during their ageing years. They are over sixty years of age. Some of them have reached acute need for help during that ten-year period between sixty and seventy. It has been necessary for local agencies to come to their rescue. By including this new group under war veterans' allowance, it will, to that extent, relieve the local bodies of this financial responsibility.

I look forward to the board which administers the War Veterans Allowance Act executing this change with the utmost dispatch. The legislation, if passed by the house, will go into effect as from April 1, 1950. In other words, applications received after April 1, if approved, will commence on such date after April 1 as may be set by the authority approving the application.

At this point I should like to express appreciation of the high standard of administration set by the members of the war veterans' allowance board since its inception twenty years ago. Its first chairman was the present deputy minister of my department. He set the pace in adapting the provisions of the act to individual need, and the present chairman and his associates on the board have continued and extended that practice. They have done excellent work while the administration of the act has been concentrated here in Ottawa. I believe that the same commissioners will be able to see that even further improvements are brought about by reaching decisions closer to the applicant.

That brings me to the second principle in the resolution, namely, decentralization of administration. I believe that the step contemplated here will assist in shortening the period which must elapse between the time the applications are received at the district office and the time the applications are approved or refused. I have formed the opinion that improvement and economy in the administration of the act can be effected by initiating a measure of decentralization. The number of recipients of war veterans' allowance, now approximately 33,000, is steadily increasing, and it is calculated it will reach a peak in about five years. With increasing numbers of recipients, work in connection with necessary reviews increases proportionately. It is difficult for the centralized administration of the war veterans' allowance board to keep pace with the work without incurring some delay in dealing with applications. This sometimes involves hardship for indigent veteran applicants.

It is proposed by amendment of the act to create district war veterans' allowance authorities, consisting of senior existing officials of the Department of Veterans Affairs in districts, who will be given jurisdiction to award, increase, decrease, suspend or cancel allowances in accordance with the provisions of the act and regulations made with the approval of the governor in council. Awards by district authorities will be subject to review by the war veterans' allowance board, which will also act as a board of appeal and will supervise and control the practice of the local authorities.

I feel confident that the two features which are incorporated in this legislation will meet with general approval.

Mr. G. R. Pearkes (Nanaimo): I fear, Mr. Speaker, that the opening words of the minister to the effect that he had not much to say about this act at this time are both ominous and disappointing. I had hoped that he would have a great deal to tell us about much wider extensions that were being granted to the recipients of the war veterans' allowance than those to which he has referred this evening. It is true that the benefits of the act are now to be extended to those men who served in forces other than the Canadian forces in world war I, who have reached advancing years and who have lived in this country for a period of not less than twenty years. When one realizes that the war of 1914 started over thirty-five years ago and that some of the men who will now

reap the benefits by this extension of the allowance will have lived in Canada for thirty years, it seems a little bit ironical that the minister should have referred to implementing the provisions of this bill, when passed, with the utmost dispatch. Thirty-five years is rather a long time to wait to begin to show such determination to lose no greater time.

Not only have organized bodies of the veterans been pressing for this extension over a great many years but resolutions have been sent forward to this house, to the committee on veterans affairs when it was sitting, and to individual members from the Legion, from the Army and Navy Veterans and from other organized bodies of veterans urging that those men who had served alongside the Canadian forces in an actual theatre of war and had then immigrated to this country should be given the same benefits as the Canadian soldiers, who were their comrades, sharing the same hardships, occupying the same trenches, who were serving at sea together and who were taking part in the air operations of the first war.

Hon. members on this side of the house must be pleased that the extension of this allowance is being granted to the men who served with us in the other forces of the empire. I think it will be recalled that time and time again members on this side of the house have been urging this extension. The delay has been long. Thirty-five years is a long time. Many of the men who emigrated, perhaps in the twenties, and have been out here living in this country, are men who have in every sense of the word proved themselves to be fine citizens of Canada, who have contributed to the economic welfare of this country, who have paid their taxes regularly, who have raised their families and whose sons and daughters fought in the second world war with the Canadian forces. They have had a long time to wait.

Unfortunately, many of those men have passed on to the great beyond, leaving behind them widows and in some cases orphans. It seems but poor gratitude that the government should overlook those widows who would have been in receipt of this allowance had their husbands lived until this date. But unfortunately their husbands have passed on and those widows are not only in the straitened circumstances that occur today but are deprived of an allowance which would have been their due had their husbands lived until now. I cannot understand how the minister can have overlooked those widows of the imperial soldiers, women who have lived in this country for twenty years, women whose husbands, had they lived, would have been entitled to this allowance and now are not to have the benefits extended to them. I hope that before the minister introduces his bill, he will take into consideration the pleas which are being made by organized bodies of veterans all over the country, and by me in the remarks that I am now making, and that when this bill is presented a further amendment will be brought in so that it will include the widows of the ex-imperial soldiers, widows who have lived in this country for twenty years and whose husbands would have been in receipt of this allowance had they lived until this date. Many recommendations have been made along those lines. I have received a great many communications, not only from my own constituency but from other parts of Canada. I am going to put on the record one such telegram as indicative of the feeling across the country on this particular point. I quote a telegram that I have received since the Easter recess from the legion in my home city of Nanaimo. It reads:

> Would ask your immediate support to have proposed amendment to War Veterans Allowance Act extending benefits of act to imperial veterans further amended before it goes to the House of Commons to provide the benefits of the act to widows of imperial veterans with twenty years residence in Canada but whose husbands died before completing twenty years' residence in Canada.

It is signed by the secretary of the legion. It is typical of many such messages that I have received. The same remarks will apply to the reference to the War Veterans Allowance Act for mothers. Soldiers are entitled to certain benefits under part II of the act exactly the same as the widows are entitled to certain benefits under part II of the act. I would ask the minister to revise the bill which will be brought into the house shortly so that the benefits of the act may be extended to those further groups.

Then again I cannot help feeling that this might have been an opportunity to raise the basic rate of the war veterans' allowance. At the moment the basic rate is less than that paid to the old age pensioners in the province of British Columbia and in other provinces. They may get some other small benefits which perhaps old age pensioners do not get, but the fact remains that the basic rate is lower than that of the old age pensioners. It is not a condition about which the returned men of this country feel happy, because they believe that their old comrades should have just as good protection as that which is meted out to the aged citizens who did not see service. After all, this War Veterans Allowance Act was introduced to provide the equivalent of an old age pension to soldiers, sailors and airmen who had seen service in an actual

theatre of war and who, because of their service, were presumed to have prematurely aged.

I know these allowances have been increased since they were first authorized, but since the increase was last made the cost of living has gone up. Figures quoted in the house earlier this week indicated that the index figure of the cost of living was now higher than it had ever been before in Canada; that it had risen to 163·7. That is only an indication of how imperative it is to try and assist the aged veterans of world war I.

I know an act was passed a year ago under which additional assistance might be given to the extent of $10 a month in regular payments. But the number of veterans who have received that additional payment in British Columbia is only a very small percentage of the actual recipients of the war veterans' allowance. There are, or there were in February of this year, 6,390 recipients of war veterans' allowance in British Columbia, but only 880 were receiving the additional $10 a month regular payment. I am sure that the experience we have gained in the past year, through the payment of this additional assistance, has borne out the fact in British Columbia that that extra assistance does not meet the situation as it exists.

Again, branches of the legion have been recommending an increase in the basic allowance, and I had hoped—and I still hope—that the minister would see fit to include in the bill, which he will be presenting when this resolution is passed, an additional amendment to authorize an increase in that basic allowance.

Many other recommendations have been made by the Legion that other groups should be included. I am not going to enumerate all of them. I know the minister has received the resolutions which were passed by the Legion last December urging further extensions of these allowances.

Regarding the second principle involved in this resolution, namely, the decentralization of the administration, on the whole the administration has been working satisfactorily; and I think the minister is justified in complimenting his deputy minister and the other officials who have been responsible for the administration of the war veterans' allowances. Whether it is going to be advantageous to decentralize that administration at the present time is perhaps debatable. Anyway, a good deal of further information is required on that subject before hon. members are able to make a firm decision on the matter. Therefore, because of the additional extensions which have been recommended, the uncertainty as to the application of the principle of decentralization, I sincerely hope that the minister will follow the example of his colleagues in other departments and when the bill which he will introduce, based on this resolution, is brought before the house and given second reading, he will refer it to a special committee on veterans affairs.

A special committee on veterans affairs has been asked for by organized groups of veterans for a long time. It has been a disappointment to them that such a committee has not been set up during the last two sessions of parliament. While it might not be the minister's intention to set up a committee similar to that which was in operation previously, I do hope that a committee will be set up so that representatives from the organized groups of veterans may have an opportunity of coming before a committee of members of parliament to give firsthand evidence as to why they feel that further extensions of this allowance are so necessary to meet the situation facing the aged veterans of this country today.

Mr. P. E. Wright (Melfort): Mr. Speaker, I am sure that we, like the hon. member who has just taken his seat, agree with the principle of this resolution. But again it is one of those cases where we are getting too little too late.

This resolution was recommended in the committee on veterans affairs several times three or four years ago; but it is only now the government has seen fit to bring forward a resolution indicating that a bill will be introduced to take care of these imperial veterans, and other veterans who served in the first great war. This is not only the opinion of members of the opposition, but also that of many members on the government side of the house.

For instance, on the order paper at the present time there is a resolution in the name of the hon. member for Burnaby-Richmond (Mr. Goode) in which he suggests that the war veterans' allowances should be increased to $50 a month for single veterans and widows and $85 per month for married veterans and widows with dependent children. Now, however, through the defeat of the various amendments we brought forward today, the hon. member for Burnaby-Richmond will not have an opportunity to place his resolution before the house at this time.

Mr. Goode: If I do not speak to the resolution this session, I shall bring it up until I do have a chance to speak to it.

Mr. Wright: I am glad to hear the hon. member say that, because I believe the resolution is a good one. I am sure there are many other members on the government side

of the house who would agree with him, because there is no doubt that the present war veterans' allowance of $40 a month is inadequate. It is not even equal to the old age pension being paid in at least four of the provinces of Canada. The result is that when veterans reach the age at which they will qualify for old age pensions, they withdraw from the allowance and apply for the pension.

These are matters which I say should be brought before the committee on veterans affairs. I agree with the hon. member for Nanaimo (Mr. Pearkes) when he says that when the minister brings down the act he should refer it to the committee on veterans affairs, and have some discussion as to the advisability of even extending the present resolution.

Another matter which I believe is important has to do with the widows of some of the men who have qualified, had they lived long enough to receive the advantage of this new amendment to the act. It is hardly fair that the widow of an imperial veteran or a veteran of one of our allies who may have died in the last year, and therefore never qualified under this amendment, should not be able to qualify for assistance under the act. Perhaps when the bill is brought down it will develop that my supposition is wrong—and I hope it is. It would be only proper to take care of these widows. If they are not provided for, then I certainly think some amendment should be made to the act to take care of them.

With respect to decentralization, I agree that through decentralization the applicants will have their applications heard more quickly. There is one danger, however, in decentralization, and that is that in the administration in the various districts which may be established there may be differences in the interpretation of the act.

The minister has indicated that the war veterans' allowance board will review the cases, and I would hope that in that review they would be able to maintain uniform administration of the act across the country. It has been my experience in connection with various boards of this kind which have been set up, and where administration has been centralized, that in the course of a few years different practices have grown up in different parts of the dominion, with a resulting loss in uniformity.

I believe the war veterans' allowance board has done an excellent job. In the dealings I have had with them—and I have had many—I have found them sympathetic and efficient, and I have found them endeavouring to administer the act to the advantage of the veteran where it was possible to do so. If there have been difficulties I think they have arisen out of the act itself, and out of the interpretation by the war veterans' allowance board.

I would urge, however, that the minister submit the act to the veterans affairs committee, and that the committee be constituted to deal with it. I think all agree that the veterans affairs committee has been impartial in dealing with veterans legislation. The hon. member for Winnipeg South (Mr. Mutch), who on various occasions has been chairman of that committee, stated in the house only yesterday that he believed the committee had acted impartially and had done a reasonably good job for the veterans in dealing with legislation brought before them from time to time.

I would, therefore, urge the minister if possible to give further consideration to enlarging the resolution so as to increase the allowance, as suggested by the hon. member for Burnaby-Richmond. I believe that is a reasonable suggestion and one the government would be well advised to consider.

Mr. Ray Thomas (Wetaskiwin): Mr. Speaker, those of us in this group are extremely pleased to see this legislation brought down at the present time. We believe however that this should have been done a good many years ago. Many veterans who have been recipients of the allowance under the act have been waiting for twenty-five or thirty years, as has been pointed out by previous speakers. That is a long time for anyone to wait for something to which he has been entitled all along.

Many of these men have been in Canada for thirty years and have served the country in the role of citizens. Their work in Canada alone should merit recognition, even without the war service they had given prior to coming to Canada.

I would strongly urge that when drawing up the bill the Minister of Veterans Affairs (Mr. Gregg) consider seriously making it retroactive for at least a year, in recognition of the fact that the government has been too tardy in bringing down the legislation.

The suggestion to decentralize, so as to bring the administration of the act within the control of the eighteen boards across Canada, will result, we believe, in a great saving of time, and bring the authority closer to the applicants. It will make the investigation of cases much more convenient and cause them to go through with a minimum of effort and waste of time.

As I said before, we firmly support the bill, so far as it goes. We do believe however that it should go much further. The present basic allowance is a mere pittance, when one considers the increase in the cost of

living, and especially after consideration of the increased cost of the essentials required for the bare level of existence many of these veterans are forced to put up with. We submit that the basic allowance should be increased, as has been urged by the two previous speakers. This should be increased to the rate recommended in the submissions made by veterans' organizations across Canada, that is, to $50 for the single veteran and $85 for the married veteran. The present allowance of $40.41 for the single and $70.83 for the married veteran is entirely insufficient. As a matter of fact, it is less than the old age pension paid in some of the provinces. The hon. member for Nanaimo (Mr. Pearkes) referred to the old age pension paid in British Columbia and the same remarks are applicable to my own province of Alberta. These amounts are being paid for war services rendered to Canada and that payment should be adequate.

We join with hon. members who have spoken already in urging that a clause be inserted in the bill to take care, not only of widows of imperial veterans but of widows of our own Canadian veterans. It is a shame that a woman should be penalized because her husband dies. During the years that the veteran has suffered because of his war service his wife has shared in those inconveniences and she should be entitled to the same consideration given to the veteran.

There should also be a clause in the bill to provide medical and hospital care for wives, widows and dependents of these veterans. Some of the provinces provide for hospitalization and medical care for those in receipt of old age pensions. It is the right of every veteran, not only as a veteran but as a pioneer citizen, to expect the same kind of treatment.

We join with other speakers in urging the setting up of a special veterans affairs committee so that the leaders of the various service organizations across Canada can give their views on the various matters affecting veterans legislation. I do not think the Minister of Veterans Affairs (Mr. Gregg) can be blamed for not setting up this committee. In his budget speech the Minister of Finance (Mr. Abbott) said that the estimates would have to be cut down and therefore the Minister of Veterans Affairs was unable to increase expenditures under his department this year. It would be most embarrassing for him if a committee were set up and made recommendations which he was financially unable to deal with.

If this committee were set up now, any recommendations it might make would be ready for the consideration of the house at the next session. If the committee is not set up it means that a year or possibly two years will have to pass—this might bring it just before an election—before any action could be taken. Is that what the government is waiting for? We hope that the government and the minister will take under consideration the recommendations that have been made, especially as to setting up a veterans committee.

Mr. G. A. Cruickshank (Fraser Valley): Mr. Speaker, if one on this side of the house may be permitted to say a word, which is rather unusual, I should like to say something, but my remarks will be brief and pointed. First of all, I believe the veterans affairs committee should be a standing committee. I happen to have the honour of being a chairman of one of the standing committees, that having to do with printing. In ten years it has sat but once. I have not the faintest idea what that committee is for, and neither have the other members of the committee, because it never sits.

Mr. Sinclair: That is the chairman's fault.

Mr. Cruickshank: No, it is not. I always get a lot of assistance from one of my young colleagues, but I am making this speech. I know it is not the responsibility of the minister to make this committee a standing committee, but if you consider it from the financial point of view alone you will realize that the country pays out tremendous amounts for the veterans affairs department.

An hon. Member: Do you want to cut it down?

Mr. Cruickshank: No, I do not want to cut it down; I want to increase it; but when that much money is involved I do not see why we should not have a committee. I do not intend to make a political speech for *Hansard*, as I will leave that for one of my junior colleagues.

I urge upon the minister that imperial veterans' wives be treated exactly the same as wives of Canadian veterans. It must be an oversight that they are not. There are not many concerned and the amount involved would not be large, and I submit that this action should be taken. I support other hon. members who have urged that the veterans' allowances be brought up to the old age pension rate.

Mr. Sinclair: In British Columbia.

Mr. Cruickshank: We in British Columbia are glad that we lead the rest of Canada. We are ahead of any other province and were the first province to bring it in. Saskatchewan reduced it. I do not know what government represents Saskatchewan, but that is what they did.

A fund of $500,000 was established last year, but I want to say to the minister that any veteran who wanted to take advantage of that fund would have to go to Philadelphia and then call in this man Cripps as another lawyer to help fill out the forms. It is a most ridiculous sample of red tape. The parliamentary assistant to the minister knows that, and to his credit he did something about it at my request. It is almost impossible to answer the questions a veteran must answer to obtain this $10 increase. They want to know if his great-grandmother had grey or blue eyes. It is just as ridiculous as some of the statements the hon. member for Yorkton (Mr. Stewart) made about the pipe lines. I urge the minister to put this whole thing on a more reasonable basis.

I disagree with some hon. members. In my opinion the government of Canada has treated the veterans of this country better than veterans have been treated in any other country in the world. I believe there are at least four thousand veterans registered in the Canadian Legion of my own riding, and I am very proud of the fact that I am one of the few members who have gold pins denoting life membership in the Canadian Legion. I am also proud of the fact that this presentation was made to me by the president of the Legion and Conservative association on June 24, only three days before a very significant event.

I do not want to take more time, but I am going to warn the minister now that he is going to have certain representations made to him a little later on. The federal convention of the Canadian Legion is being held next month. In my opinion there is no more responsible or reliable organization in Canada. The legion has been advocating an increase in the rates of payment to the war veterans' allowance, and that matter is going to be brought forcefully before this government following that convention. I believe it is only an oversight that nothing has been done along that line; I think it can be rectified, and I strongly urge that such action be taken.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, this resolution forecasts two changes in the War Veterans Allowance Act. One will make members of allied forces who served in the first war and have been living in Canada for twenty years eligible for these benefits. The other change is in connection with the administration of the act.

With respect to the first change, I should hope there would be no disagreement in this house. In fact to me it is a great tragedy that the imperial and other allied veterans should have had to wait so long to become eligible for the war veterans' allowance. I need only point out that thousands of those veterans served in the Canadian forces in the second war. That service did not enable them to qualify for the war veterans' allowance, however, because they were nearly all in the veterans' guard and as we all know very few of the veterans' guard were allowed to go overseas. In addition many of these allied veterans had sons serving with our sons in the Canadian forces during the recent war. Giving them entitlement to the war veterans' allowance is a step long overdue.

In connection with this proposal I urge the minister to make the payments retroactive, at least to the date the announcement was made in this house that the imperials would be given entitlement. His parliamentary assistant made that announcement on December 10 of last year, the last day of the second session of 1949, and at that time I asked whether it would not be possible to have payments made retroactive to that date. I urge the minister to have his legislation provide that payments shall begin as of December 10, 1949, at least.

Then I hope there is no doubt that those veterans who served in the imperial forces during the South African war will be eligible for the allowance after these amendments are made. The minister nods his head. I am very glad to learn that such is to be the case. Another suggestion that has been made by each of the preceding speakers, and with which I agree, is that the widows of veterans who have died should be made eligible. There seems to be an impression abroad that the act is not wide enough to cover those widows. When we make this change, let us do it right and provide eligibility for the widows of these veterans. I do not think anyone in the house would be against extending the act to provide for them.

With regard to the amount of the war veterans' allowance, surely there can be no doubt that the amounts paid are too low. That, of course, is because of the present cost of living. Only a year or two ago the minister's department made a survey across Canada, which disclosed that the recipients of the war veterans' allowance were not getting enough to live on. As a result we had a special vote last year setting up what is known as the war veterans' assistance fund. That survey proved conclusively what some of us have been trying to tell the government for a long time; that is, that the war veterans' allowance is insufficient to enable these men and their wives to carry on. This year the position is even worse, and that assistance fund is to be increased from $500,000 to $750,000, though only approximately ten per

cent of those in receipt of the war veterans' allowance have been able to qualify for this assistance.

That whole picture shows conclusively that the allowance should be increased. At the present time it is $40.41 a month for a single veteran and $70.83 for a married man. In British Columbia a single old age pensioner gets $50 a month, and the wife of a married pensioner can also get $50 a month if she is seventy years of age. In addition they are given free hospitalization and free medical and dental care. We have a case of an old age pensioner who served in the German army in the first war and he and his wife are now drawing $100 a month—and I am not quarrelling with that, since under the law they have a perfect right to it—and within a door or two of where they live there is a veteran who served in the Canadian forces, but he and his wife get only $70.83. That is an intolerable situation. The war veterans' allowance should be increased at least to the amount of the old age pension. I know that everyone in British Columbia is in favour of a change being made which would bring the allowance up to the amount paid by way of old age pension.

Before I continue, I should like to say a word about this war veterans' assistance fund. I should like to read a paragraph or two from an editorial which appeared in the Vancouver *Sun* on November 12, 1949. The newspaper offices are close to Victory square in Vancouver, in which there is a monument to our dead of the first war. These newspapermen had witnessed the services held there the day before, November 11, and this editorial appeared on the following day. It is entitled "Burnt Out and Burned up". I wish to quote certain paragraphs, which I think neatly sum up this situation. In referring to the burnt out veterans, it says:

> They are today in a worse position than old age pensioners. Both are supported from public funds. Why in the name of all that is reasonable should those who made special sacrifices for their country be subsequently penalized? Surely the least that could be done is set the W.V.A. rate at a figure equal to the O.A.P., even if the former may qualify before age seventy.

The article goes on to list the differences in amounts received by the veteran and the recipients of the old age pension. Then it says:

> True, Ottawa at the last session of parliament started a special emergency fund for W.V.A. purposes, from which district authorities might make additional grants in aid in cases of extreme destitution. Some W.V.A. recipients have benefited under this provision. But extra allowances are subject to a periodical means test, and the funds are limited —which means more penny-pinching by D.V.A. officials seeking to help. And winter at hand means further hardship for many.

Some of the wives of older veterans are voluntarily abandoning their $30 W.V.A. allowance to claim old age pension. Obviously, however, only a few of them are old enough to do so.

If the minister checks up, I believe he will find that his own officers are advising veterans who are seventy years of age or over to go off the war veterans' allowance, and get on the old age pension. It is a tragedy that such should be the case, because the veteran is a direct charge on the dominion government, and should certainly receive as much as those people who are at least partially looked after by the provincial government.

I continue reading from the editorial:

> Lest we forget! One can understand the pathetic figures who bravely attended remembrance day services yesterday, trying to keep heads high despite anxious hearts. One can forgive bitterness, too.
>
> But one cannot forgive the heartlessness of politicians. A remedy could still be effected this session, and should be effected.

Mr. Speaker, this editorial appeared in the leading Liberal paper in British Columbia.

> Public opinion would back the insistent demands of veterans organizations that Ottawa no longer shirk its duty.

Ottawa is shirking its duty as long as it refuses to raise these war veterans' allowances to an amount at least equal to the old age pension.

As for the special assistance, I think it helps out; but it should not be used as a substitute for a proper increase in the allowance itself. The assistance fund should be used for the odd case where there are special conditions, but most of the veterans who are now receiving that assistance would have their needs met if the war veterans' allowance were set at an appropriate figure. The member for Fraser Valley (Mr. Cruickshank) has made some reference to the form that has to be filled out by the applicant for special assistance. Of course, there is a second means test, and the veteran has to go through that humiliation. The dominion investigator has to find out such things as this: Entitlement to assistance from other sources, for example, social assistance, mothers' allowance, old age pensions, family allowance, medical and hospital care. No veteran in Canada should be forced to depend on social assistance in a province; he should be cared for by the dominion.

There is another weakness in this fund, in that it is only provided by annual grant of parliament. There is no legislation behind it. The grant is made for one year and must be renewed year after year. The veteran does not know whether he is going to receive it the next year. There is nothing final about it. It should be provided by way of legislation rather than under an annual vote.

So much for the amount of the war veterans' allowance; now let me say a word about the administration of the act. This proposal to decentralize the administration is made because of inefficiency in the administration of the act. Let there be no mistake about that. I am not quarrelling with the change, because I think it is a proper one, but I do not think this act has been administered as it should have been. I realize that the men on the war veterans' allowance board have a difficult job. I am not saying they are trying to do anything but their best, but from my own experience I am convinced the time has come to check the administration of this act, and check it carefully.

The difficulties may be overcome by decentralization, by giving more power to the men out in Vancouver, in Calgary or in Winnipeg, who are in direct contact with the veteran. I believe they can get a clearer picture of the needs of the veteran than any board here in Ottawa. I believe also that they can get much quicker action. I am, therefore, in favour of decentralization.

Here are some of the ways in which administration has been, in my opinion, faulty. When the veterans affairs committee sat, I think it was in 1948, there was a change in the provision for casual earnings. Before that time casual earnings had been limited to a certain amount. The members of that committee felt that there should be a change; that the veteran should be allowed to get whatever casual earnings he could. Eventually the act was changed accordingly, and I think that was a proper change. Yet I have had a case—I will give the minister these cases later—in which a veteran was unable to do any work; his wife was going out doing housework. She was in poor health herself, and when she went to do this housework she occasionally suffered a break-down owing to her poor health. The war veterans' allowance board decided that, because she was earning a little bit of money doing domestic work, these were regular earnings and her husband's allowance was cut accordingly. I believe there was a claim for overpayment.

This trouble was partially the fault of the investigator because he did not talk to the wife herself. He spoke to the lady for whom she worked, and came back with the story that she worked two regular days a week. That was considered to be regular earnings and took the veteran away from the provision for casual earnings, with the results I have already indicated. The facts, however, were that the woman did not work any steady days a week and that for periods of time she had been unable to work at all. If there ever was a case in which earnings were casual, this was such a case. Yet that veteran had his allowance cut. There should be a benefit of the doubt given to these recipients of war veterans' allowance just as there is under the Pension Act. I do not believe there is one member of this house who served on the veterans affairs committee in 1948 who would have agreed that this woman's earnings from going out doing that odd housework should be considered as anything other than casual earnings. I therefore suggest to the minister that he have his war veterans' allowance board up on the carpet and inquire from them exactly how they decide what earnings are casual.

Then there are rulings of another type which I think are unfair. They have to do with the question of whether or not a person under the ordinary eligible age is incapable of maintaining himself. The pertinent section of the act is section 5, paragraph (c) (ii) which reads as follows:

> is incapable and unlikely to become capable of maintaining himself or herself because of economic handicaps—

And I point out to the minister that phrase "because of economic handicaps".

> —combined with mental or physical disability or insufficiency.

This particular case was that of a widow who herself had service. She herself was eligible if she could satisfy the requirements of the act. She is fifty years of age, whereas the eligible age for a woman who has served is fifty-five. Her husband served in both wars. She has a son about thirteen years of age who is asthmatic, a semi-invalid. The woman herself is not well; she has arthritis and other disabilities. Her application for war veterans' allowance was turned down on the ground that she was capable of maintaining herself. Can you, Mr. Speaker, imagine a widow in that position being told that she must go out and get a job? Actually she went to the employment service where she was told: "Why, you are fifty years of age! What are you coming around here for, looking for a job? We cannot find you any work." Yet just two or three weeks ago that woman was again held by the board to be ineligible. I had arranged for her to go and have an examination by her doctor. I turned in that examination in Vancouver, but for some reason or other it has not reached the office here, and the board did not get it sent back before they made their decision. This case brings up another point on which I suggest that the minister check his board.

Another matter is this question of overpayments. It is found that a man has been getting more earnings than he is entitled to

while getting his allowance. Far too often, word of those overpayments does not get back to the veteran until months have gone by and then he finds himself suddenly faced with a large debit to be taken off his meagre monthly allowance. In some cases a man will have his pension raised, and instead of that adjustment being made in the minister's department at that time when the pension is raised, the war veterans' allowance board apparently does not find out about the raise for months. The man gets the increased pension, and then suddenly he is faced with a notice that he has been overpaid several hundred dollars war veterans' allowance. That is a matter of poor administration and it should be checked. When these pensions are raised, the adjustment should be made at the same time. There is no excuse for a thing like that happening in the one department.

Another difficulty is this question of deductions while the man is in hospital. He goes into hospital, and a deduction is made from his allowance. I think the figure is usually $15 a month. I suggest that this whole policy of deducting money from the war veterans' allowance while the recipient is in hospital should be carefully reviewed. In many cases I think there is a great unfairness. Mind you, I have drawn several of these cases to the attention of the board, and in most instances some reduction has been made in the amount taken from the veteran. The allowances are so small, Mr. Speaker, that when you take $5 or $10 or $15 off, it creates a serious problem for the wife and the children. I think we might well stop making these deductions at all.

One other suggestion is that the treatment rates should be reconsidered. In some cases apparently the war veterans' allowance recipients are not getting the same treatment rates that they formerly received. There, I believe, is another field for an investigation by the department. Those are some of the things which I think show that the administration of the War Veterans Allowance Act is not what it should be, and I hope that the minister will check the administration.

In conclusion, may I say that I sincerely believe it has been a great mistake not to have a special committee of the house on veterans affairs at this session; in fact, I believe there should be a standing committee on veterans affairs. These problems could all be dealt with efficiently by such a committee of the house. That is the proper way to settle them. The Legion, the Army and Navy Veterans, the Amps., the Canadian Corps and the Canadian Pension Association and all these veterans' organizations which have been so responsible in their approach to the veterans' problems could appear before such a committee and explain their experiences to the members. In my experience they have always done that in an efficient and fair way. We have all benefited as a result of their representations. The officers of the department could be brought before the committee and could give their explanations. With regard to some of the instances I have mentioned tonight perhaps those officers could explain why the trouble has arisen. But that clearing of ideas and that facing of problems can only be adequately done by a committee of this house.

When I asked the parliamentary assistant about a committee on December 10 last year he gave this answer, which may be found at page 3137 of *Hansard:*

> On the other hand, if he means that,—

He was referring to myself because I had suggested a special committee in the 1950 session.

> On the other hand, if he means that, when changes are being made in veterans legislation, the government will continue the practice it has been following since 1936, namely, referring the bill to a select committee of the House of Commons, I should hope that practice would be continued.

The parliamentary assistant has been a member of every veterans affairs committee since 1935, just as I have myself. There was his statement, that whenever veterans legislation was before the house it should be referred to a special committee. Certainly, amending the War Veterans Allowance Act comes within that category, especially when you are changing the administration. This bill amending the War Veterans Allowance Act is of the utmost importance. I repeat, it should be referred to a select committee of the house. I hope that even at this late date the government will agree that such a course could very well be followed.

Mr. James Sinclair (Coast-Capilano): Mr. Speaker, I should like to make a few remarks on this resolution. First of all, I have not been a member of the veterans affairs committee since 1946, when I sat with many other members of the house at that time.

In discussing this last step forward in veterans legislation, I cannot help but think that some word should be said of the very great work done by our former minister from British Columbia, Ian Mackenzie, when the going was pretty rough, on behalf of veterans. I have thought many times that he was not appreciated, because after all Mr. Mackenzie fought the battle that other ministers must have, the sort of thing I referred to this afternoon, namely, the very many desirable projects in this country for which finance has to

be found, and can only be found, through taxation. But he fought a brave battle, a battle that was very successful in the end, and which resulted in the veterans' charter. I think all of us are very happy to see him succeeded by this gallant soldier, the hon. and gallant member for York-Sunbury (Mr. Gregg), who won his spurs in battle many years ago, and who has continued this sound and solid work on behalf of the veterans of Canada.

I think perhaps one of the best indications a member of parliament can have as to whether or not things are going well in any department is just his ordinary everyday mail. I ask hon. members who were here in 1944, 1945 and 1946, when the problem of rehabilitation of veterans was so keen, to compare the problems they had then with the average mail they get today, when the veteran's problem, the everyday problem is mainly in hand. That does not however remove the fact that all veterans, that all members of parliament, should be constantly vigilant concerning ways and means of improving the lot of those veterans in this country who have not been able satisfactorily to rehabilitate and re-establish themselves.

Mr. Cruickshank: Do you answer your letters?

Mr. Sinclair: I answer my letters. I am here tonight, in spite of the interruption of my hon. friend, for one of the few times in the last two or three sessions to support what he has said, not only to support the speech he has made but the speech that every British Columbia member, of any party, has made on this matter.

Mr. Cruickshank: At last you have acquired wisdom.

Mr. Sinclair: Certainly I have not acquired any wisdom from following the speeches of the hon. member for Fraser Valley. Whatever wisdom there may be, I am able to stand on my own two feet and express myself without any help from anybody.

This is a matter of very great concern to hon. members, and it is perhaps of more concern to British Columbia members than to any others, because I think we are much closer to the problem for two or three reasons. First of all, we are very proud that in the last war we had the highest per capita enlistment of any province of Canada so we have more B.C. veterans returning home. Second, our province is especially attractive, except for the last winter, to older veterans, because of what is generally a more equable climate than is experienced in most of Canada. We therefore have a steady trek of old veterans out to British Columbia. Third, we have a higher concentration of old imperial veterans, because our province has always had a very heavy settlement by immigrants from the British isles. For that reason British Columbia members, whether they be Liberals, Conservatives, or members of the C.C.F., have always been more conscious of the problems of the older veterans.

We have another reason for being exercised. In British Columbia the old age pension, as has been frequently mentioned in this house, is the highest in Canada. The basic $40 a month pension, three-quarters of which is paid by the federal government and one-quarter by the provincial government, is augmented in British Columbia by another $10 with no extra means test. That means in effect that the old age pension in British Columbia is $50 a month.

The intent of the war veterans' allowance has always been, to my mind, a pension paid ten years earlier to those who have been prematurely aged because they saw service in a combat area. And that immediately brings up this one standard. Should the federal government not be able to match the very best old age pension age by any province, and that is our present standard in British Columbia? No matter what is said, we feel very strongly that the pension paid by the federal government—as the hon. member for Vancouver-Quadra (Mr. Green) said, to those pensioners who are an especial responsibility of the federal government, that is the war veterans just as locally the old age pensioner is the especial responsibility of the provincial government—should at least match the most generous old age pension in Canada.

I just want to give an example which was given to me in a village in my own riding, the little village where my mother and father are now retired. Near that village there are a German immigrant couple who actually were in Germany during the first war. No doubt they are very decent people. They came out after the war and now have their twenty years' residence in Canada. They did not attempt to join any company pension scheme, and they may not have been able to make any savings in war bonds, so now that they have reached the age of 70 they get $100 a month from the government as an old age pension. As far as most people are concerned, they are not very interested in the levels of government, whether it is municipal government, provincial government or federal government; they are getting it from the government. This German couple—unfortunately they are still referred to as a German couple—were in Germany during the first war, and they now get $100 a month, and they

live very comfortably on the west coast of British Columbia in a little village on $100 a month. Contrast them with a couple living not very many cottages away. In that cottage is a man who served very bravely in the first war, and who now is prematurely aged, the very thing that this legislation passed by this government was meant to cover. He and his wife live out there on $70 a month. That is the basic federal war veterans allowance, commonly called the burnt out pension. True, by going through an extra means test, which the hon. member for Fraser Valley described, they might be able to get another $10. No matter how well this has worked in the east, it has not worked in British Columbia and the basic allowance remains $70. So, as British Columbians, from whatever party we may come, but especially as British Columbia veterans, we say that the federal government should be able to match for their "wards", which is perhaps an unfortunate word to use, but the comparison is accurate—for their special old age pensioners—as good treatment, as high a pension, as that paid by any of the provinces. That is the first point I wish to make. I think I have expressed the view of every hon. member from British Columbia, because we live with the problem.

My second point has to do with the imperial veterans. I recall that in the 1946 committee—I have been reminded of it many times by Legion branches—I voted against the extension of war veterans' allowances to imperial veterans. There was, however, a vote preceding that vote to extend the war veterans' allowances to Canadians of the first war who had got to England but not to France. In the last war if a veteran got to England he was qualified, as far as service was concerned, for the war veterans' allowance but in the first world war he had to get past England to France. I have always in this house tried to argue that in every service there should be a uniformity of service, whether it is the air force, the army or the navy, a thing which has now been brought about by the legislation sponsored by the Minister of National Defence. I say also that between the first and second wars there should be a uniformity of service. If service in England qualifies a man in the second war for a burnt-out pension, then I maintain that service in England in the first war should also qualify a Canadian veteran for a burnt-out pension. I voted for this in the veterans affairs committee and when that was denied to Canadians who are the proper responsibility of the Canadian government, then I felt I could not vote to give this Canadian pension to men who did not serve in the Canadian forces, and who were not resident in Canada before their entry into the British forces.

We have been very generous in Canada, more generous than any other country I know of, when we build up to Canadian standards the pensions of men who may have lived in this country before the war, but who saw service in other allied armies. When they have come back here we have regarded them as Canadians and built up their pensions to the Canadian standard. The government has now come along and done something further. Perhaps there was a strong moral obligation to these imperials, who came out here after the first war and became good Canadians, to say to them, "All right, we will include you in our war veterans' allowance scheme", as we are doing tonight but there has never been any legal obligation.

I think too, with the hon. member for Fraser Valley (Mr. Cruickshank), that, having included them, we should do it right. It is unfair to cut out this one little group, the widows of imperial veterans who may have died. I say that the widow of any imperial veteran who qualified by having resided twenty years in this country should qualify, just as does the widow of a Canadian recipient of the war veterans' allowance.

That is my only complaint about this very generous extension of the war veterans' allowance into a field in which we have no legal responsibility; because these imperial veterans we are covering now did not live in Canada before they fought, and they did not fight with Canadian forces. They came here after the war.

I saw a very interesting sidelight in connection with that in my recent trip to Europe —which was described this afternoon by the hon. member for Moose Jaw (Mr. Thatcher) in most unflattering terms—because I had representations made to me on behalf of one of the British branches of the Canadian Legion. They complained bitterly about this proposed extension of the war veterans' allowance to imperial veterans when they, as Canadian veterans in Great Britain, received no such allowances from the British government.

So I say we are taking a very real forward step in veterans legislation. There is one further thing I wish to say however—because I still feel some responsibility in the matter of taxation. Those people who are advocating these extensions should not be too critical about the taxing system which, after all, must find the money to pay for all this. I would like to see some members who are asking for this increased benefit speak in less

scathing terms about the government's requests for taxation, and not be quite so vociferous in their demands for bigger income tax exemptions and abolition of the sales tax and the excise tax. These extensions to imperial veterans are increased payments which, while desirable, must be paid for.

I pay tribute to the Minister of Veterans Affairs (Mr. Gregg) because I have the pleasure now and again—not much of a pleasure— to sit in on treasury board which apportions federal revenue to the government departments. No one on treasury board works any harder to get his share of the national revenue for the benefit of the veterans than does the present Minister of Veterans Affairs.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I shall take only a few moments to deal with this most important resolution. I do feel however that I should lend support to the previous speakers who have supported it, and who have expressed their disappointment that other amendments are not included in the proposed legislation.

Before proceeding to my remarks on the resolution let me pay tribute to what I believe has been a most effective and efficient operation of the war veterans' allowance board. I have had some experience in dealing with it, through the local representatives in British Columbia, and I must say in all fairness that I have found them most courteous and most anxious in every way possible to use the legislation at their hands and the administrative machinery to the best advantage of the veterans concerned.

I am sure all hon. members are pleased to note that the minister has seen fit to introduce this resolution which will precede the legislation to amend the War Veterans Allowance Act so as to include within the terms of the act imperial veterans who have lived in Canada twenty years or more. Not only will hon. members be pleased, but I am sure the 3,000-odd members of the imperial veterans mentioned by the minister will be gratified indeed.

As I stand here this evening I can think of a good many cases in my own riding concerning men who will be greatly benefited by this legislation. The Canadian Legion and other veterans organization across Canada will be deeply gratified that their long-time advocacy of this legislation and this amendment has reached fruition.

In common with other members who have spoken, I regret the government has not seen fit to include the widows of imperial veterans who at this time will have resided in Canada for twenty years. It is most unfortunate, because I do not think the numbers are large and the expense to the country would not be great. When the minister tells us that this amendment will cost about $2 million, it seems he has been somewhat parsimonious in failing to include in the legislation widows of imperial veterans who have resided in Canada for twenty years.

I believe the minister said that the total cost of war veterans' allowances to the taxpayers of Canada would be approximately $25 million, including the cost occasioned by this amendment. If we look at this question objectively and fairly in relation to our national income and our total revenue, that $25 million is not a large amount to spend in providing at least a measure of security for those who have served the country so well.

In connection with the suggestion that the legislation should include the widows of imperial veterans who have resided in this country twenty years, I am sure any action taken by the minister to include such an amendment to the bill would receive the widespread support of the Canadian people. I have received resolutions from branches of the Canadian Legion, other organizations and a large number of individuals, and I would say that no one can point to a single occasion when legislation introduced in the House of Commons to improve the position of veterans in this country has not received almost unanimous endorsation from the Canadian people. I do hope therefore that consideration will be given to the suggestion made by previous speakers so as to include in the amendment the relatively small number of widows of imperial veterans thus far forgotten.

Before resuming my seat may I say a word about the special assistance fund. I have no hesitation in saying that in my experience the special assistance fund has been beneficial to many veterans. I have seen this in my own district, so far as individuals are concerned, and I am familiar with the benefit which has resulted. But, in common with many other members, I believe that this is insufficient. While it is a great help, the only fair solution is to accept the proposals of the Canadian Legion and to increase the basic rate to $50 for single men and $85 for married men. That is little enough when compared with the pension to the old age pensioner paid in some provinces of Canada, as has been mentioned by the hon. member for Vancouver-Quadra (Mr. Green), the hon. member for Nanaimo (Mr. Pearkes), the hon. member for Coast-Capilano (Mr. Sinclair), the hon. member for Melfort (Mr. Wright), and the hon. member for Fraser Valley

(Mr. Cruickshank), who is always a most effective exponent of veterans legislation, and other hon. members.

Previous speakers have dealt with the increased old age pensions paid by certain provinces which are greater than war veterans' allowances. I thought they dealt most effectively with that matter. I was taken with the illustration given by the hon. member for Coast-Capilano (Mr. Sinclair) of the former German citizen who was residing in Germany at the time of the first world war, who came to this country, and now is receiving, along with his wife, an old age pension totalling $100 a month, whereas the war veteran who was defending his country at that time receives only slightly over $70 per month. We do not question the old age pension paid to the other persons, for no doubt they are good citizens; but I personally cannot see any justice in a situation like that. The allowances paid to our veterans should at least be equal to those received by old age pensioners.

In British Columbia old age pensioners are covered by the health insurance scheme but are not required to pay, whereas recipients of war veterans' allowances are. Just before I left home a few days ago to return to Ottawa I met a war veteran who is in receipt of an allowance. He served in my battalion and the hon. member for Vancouver-Quadra knows him quite well. This man's wife has been quite ill and he himself suffers from partial blindness and is thus unable to earn a living. He is an aged man and is now in receipt of war veterans' allowance. He applied for the special allowance of $10 per month, but still finds great difficulty in getting along.

He was confronted with a bill from the hospital insurance commission of British Columbia. He went to the office of the commission and told the officials that he was completely unable to pay the bill. I might mention that he was decorated in the first world war and served with the 54th battalion, one of the finest battalions in the Canadian expeditionary force. Later he received a note that if he did not pay immediately he would be prosecuted. He went to see the official of the hospital commission and told her that he could not pay, that if they desired to prosecute he was ready to go to jail. The official then said to him. "As a matter of fact, our instructions are to get it out of you if we can, but if we realize that it is not possible for you to pay we are not to take any action." Imagine a man who has served our country so well being placed in that position. An amendment to the act would relieve the condition of that man and other veterans to a considerable extent.

The minister mentioned changes to be made in the act to provide for decentralization in administration. That will be all to the good. I am in favour of decentralization in connection with government or other public business because the closer you get your administration to the people, the more sympathetic and efficient it is likely to be. I am sure the amendments proposed by the minister in this connection will further improve the administration of the War Veterans Allowance Act.

Before resuming my seat I want to indicate my support of other hon. members who have urged the establishment of a parliamentary committee on veterans affairs. That is necessary if we are going to tackle these problems effectively and efficiently, to the advantage of the veteran and the satisfaction of the Canadian people as a whole. I urge the minister and his colleagues to give further consideration to the requests that have been made from all sides—I was glad to hear hon. members on the other side speak in this connection—for the establishment of a special parliamentary committee on veterans affairs.

Mr. F. E. Lennard (Wentworth): Mr. Speaker, I am thoroughly in accord with practically everything that has been said this evening with respect to this amendment, which I think is long overdue. As one who is not an advocate of repetition in the house, I propose to confine my remarks to one or two matters that have not been brought up this evening. I should like to touch very briefly upon one or two points that have been spoken to this evening. I have advocated before that we should have a standing committee on veterans affairs in this House of Commons and, secondly, I feel that the wives of British-Canadian veterans should be entitled to benefits.

Another matter about which I feel very strongly is the removal of the means test in connection with veterans allowances. Considerable credit has been given this evening to the Canadian Legion, credit which is justly due. I am a past president of the Canadian Legion and a continuing member, but credit should also be given to one or two other gentlemen who have done a real job in connection with the British-Canadian veterans.

In 1946 Stephen Jones, past president of the British-Canadian veterans' federation of Canada, presented a brief. He appeared again in 1948 and presented another brief. George McKay of the British-Canadian veterans, of Hamilton, was with him. In my opinion he

presented the finest brief submitted at any time by any organization before any veterans affairs committee of this house. I simply wanted to give credit to a person who has been overlooked this evening.

I agree with everything that has been said about the amendments and the sooner they are enacted, with the retroactive features suggested by the hon. member for Vancouver-Quadra (Mr. Green), the better.

Mr. J. L. MacDougall (Vancouver-Burrard): Mr. Speaker, like other members of this house I am in favour of the suggested amendments to the War Veterans Allowance Act. I go further and congratulate the Minister of Veterans Affairs (Mr. Gregg), who I am sure has the full confidence of members in all sections of this House of Commons. I want to state that I am not going to make a long speech and in saying so I am in direct contrast to the hon. member for Vancouver-Quadra (Mr. Green), who said he was going to make a short speech and then spoke for approximately thirty minutes. The hon. member for Nanaimo (Mr. Pearkes) said that this was too little, too late. May I say that it was a Liberal government that brought this act into being originally. When an hon. member speaks about its being too little, too late, may I inform the house that since this act was first brought into being we have had administrations led by other than a Liberal government.

Mr. Lennard: If the hon. member had been—

Mr. MacDougall: I did not interrupt my hon. friend.

Mr. Lennard: You can interrupt me any time you like.

Mr. MacDougall: The hon. member can interrupt me all he likes until he is called to order by the Speaker. I do not like to see this sort of thing happening.

Mr. Lennard: Do not drag politics into it.

Mr. MacDougall: I think Liberal members, whether on the rump or on the other side, are definitely selling short the humanitarian aspects of the present government when they assume that the administration is not going to bring into effect the expressed wishes and desires of the various veterans' organizations across the length and breadth of this country. I am convinced that the present administration is quite capable of bringing into effect, and in all probability is anxious to do so, the same type of legislation with respect to the wives or widows of imperial veterans who have been resident in this country for more than twenty years as that with respect to the Canadian veterans who also come under the terms of this legislation.

In conclusion, therefore, I say the members of the Liberal party, whether they sit to the right or to the left of Mr. Speaker, are all desirous of having these necessary amendments made to the act. No one in this house, regardless of what party he may represent, stands for a fairer deal for the returned man than we do. I am quite sure, also, that we need not quibble about adopting the resolution now before the house, for the simple reason that the government is as desirous as all other hon. members, no matter in what part of the house they may sit, to see to it that this legislative enactment is carried through with dispatch so that all may enjoy what we believe to be the rights of all good citizens of Canada, particularly those who in the hour of national danger offered their all in defence of freedom, justice and liberty.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I shall attempt to follow the example of the last two speakers and confine my remarks within a brief compass. At the outset I want to associate myself, as they have done, with the remarks that have been made in appreciation of the fact that the minister has seen fit to introduce these amendments enlarging the scope of the act to include imperial veterans. This is being done no doubt as a result of the study he has given the matter, and also I am sure partly because of the extraordinarily reasonable and competent representations that have been made from time to time by the Canadian Legion and other veterans' bodies.

Having said this, I want also to associate myself with those who, while giving due credit for this move, have requested that advantage be taken of this opportunity to complete the good work which will be carried out in the legislation based on this resolution, and not stop short of what humanity, reason and justice dictate; particularly not to stop short of extending these benefits to the widows of imperial veterans. After all, Mr. Speaker, those widows are already so much worse off as a result of their widowhood. I am not seeking here to assess the humanitarian aspects, which goes without saying; but the tragedy and bereavement they have suffered only emphasize the material aspect of it. These widows are worse off and less able to get along in the world because they have lost their husbands. In spite of that disadvantage, however, in this legislation we are only extending benefits to veterans and their wives who in a material sense are so much better off than the widow who has lost her husband. To that extent we are increasing a disparity which already exists if

we extend these benefits to the veterans and their wives and deny them to the widows merely because their husbands died before they had resided in this country for twenty years.

I know the minister is just as open to humanitarian appeals as anyone in the house. I hope he will see the force of that argument and allow himself to be moved by that situation, if I may put it that way, and give the matter further consideration. I know he must have considered it already; I know it has been brought to his attention. In a sense we are not advancing new arguments, but we are asking him to open his mind to the arguments already put forward. I would ask him to bear in mind that if we are unsuccessful in prevailing upon him to enlarge the scope of this legislation, then we are in fact increasing a disparity which already exists and prolonging as well as accentuating a hardship which it would cost so little to remove.

Then, dealing with two or three other details, I want to associate myself with those who have referred to the amount of the basic war veterans' allowance. I know the attitude of the parliamentary assistant in this matter, at any rate, and I presume he speaks for the government and for his minister. His attitude, which is a perfectly proper one for him to take, is that in essence the war veterans' allowance is merely an old age pension payable to war veterans at an earlier date by reason of the fact that, by virtue of their service and the hardships they suffered, they become unable to provide for themselves at an earlier age than the ordinary citizen. Taking that view the hon. gentleman has stated that he would not consider it proper that the amount of the war veterans' allowance should be larger than the basic old age pension or, in other words, more than $40 a month.

While I agree that this is a reasonable attitude for him to take, I cannot agree that his basic premise is correct. I do not believe the war veterans' allowance is merely an old age pension payable at an earlier age. It seems to me, and from my recollection of veterans' affairs committees it has been recognized, that there are two aspects combined. One is the reward for service over and above what the ordinary civilian or non-service man has given. The other is a certain recognition of the fact that by virtue of the service given and the hardship experienced he may become unable to provide for himself at an earlier age than the civilian.

If this war veterans' allowance has a dual aspect, then surely it is not sound to argue that the amount should be exactly the same as the basic old age pension. Even if that were a sound argument, then I find myself in agreement with the member for Coast-Capilano (Mr. Sinclair), as well as other members from the province of British Columbia who have spoken, who have stated that if that is a sound argument and the war veterans' allowance should be the same as the old age pension, then surely it should be the same as the most generous old age pension which this country provides. In the province of British Columbia that is $50 per month, and in several other provinces it is $40 per month, by virtue of special supplementary payments made by the provinces.

Whichever way you look at it, it seems to me there is a sound, logical, unanswerable case for increasing the amount of the war veterans' allowance to $50 for single men and $85 for married veterans. Those are the two main aspects of this matter to which I should like to address myself tonight. I wonder if I could mention one detail of the administration.

I fully agree that it is time to decentralize the administration of this act. I have had cases where, apparently with the best will in the world to speed up the investigation and disposition of the case, it has still taken months, in fact nearly a year, to complete a case from the preliminary application to the final disposition. It seems to me that no administration should take from six to nine months to settle a case finally. I cannot help concluding that if there were greater decentralization, if a greater measure of responsibility were given not only to the regional offices but to the investigators themselves, who should be given greater discretion in arriving at a decision as to whether or not the means test, if it is to be continued, should be applied, whether or not in fact the veteran has casual earnings or whether the earnings he receives should form part of his basic income, and if the investigators were given greater discretion to recommend for or against granting the allowance to the veteran, then that, coupled with the decentralization of responsibility, would greatly speed up the disposition of cases.

It seems to me that at the present time the regulations are so ironclad, and the feeling seems to be that we must follow precedent to such an extent that, even with the greatest desire to bring a veteran within the scope of the act, investigators have to go back and back again before they can satisfy their superiors that the veteran is entitled to the allowance. I hope that along with the decentralization of administration will come a greater measure of responsibility, and the power of recommendation to the investigators in the field. If that does accompany decentralization, and if there is an increase in the

basic rate to $50 per month for single men and $85 for married men, as well as the inclusion of the widows of imperial veterans under the act, I feel the minister will then have what I know he wants, and that is a War Veterans Allowance Act which really takes care of the senior veterans in this country.

Mr. John Hunter (Parkdale): Mr. Speaker, I did not intend to speak on this subject, so I shall only take three or four minutes of the time of the house. There are a few things I wish to suggest. First of all, I should like to congratulate the minister on this resolution, which I think is a definite step forward. It shows careful thought and sincerity of purpose.

A number of suggestions have been made by various hon. members, and generally speaking I believe the suggestions have been worth while. They have concerned the type of thing we would all like to see implemented. I have heard very few things mentioned in connection with this resolution which I, personally, would not like to see implemented. I do wish to put forward the definite suggestion to hon. members of this house that this is not a question of spending unlimited funds, and giving all the things we would like to see on the statute books of this country. It is a question of having a certain amount of money to spend, and spending it in the wisest possible way.

The member for Kamloops (Mr. Fulton) has suggested that the amount of the basic war veterans' allowance should be increased. The same suggestion has been made by other hon. members, and I can find no fault with that; it would be a forward step. But let us face facts. We have so much money to spend, and while these suggestions are worthy, and I think they will be implemented some day when the income of this country is sufficient to pay for them, we simply cannot afford everything we would like. In a sense it is rather a waste of time to place all these schemes before the house, and ask that the minister give them his earnest consideration. The minister is giving these matters his earnest consideration. The minister is not only a gallant soldier but a gallant gentleman, and no one would like to do these things more than he, but he cannot give something he has not got. Putting all these schemes before the house is not only premature, but to be frank I think it is silly.

I wish to try to give the members some understanding of the problems of the government. There is a tendency in all the parties in the house, and I do not blame them, because it is a tendency of human nature, to ask for things which they genuinely feel everyone should have. Many of these things I should like to see done, but it does seem to be consuming a great deal of time when these speakers, who are intelligent, must realize that there are not the funds available at this time to implement such schemes. I suggest that an enormous amount of time is wasted by certain hon. members, who are sincere, owing to the fact that they feel certain things should be done, even though they realize there are no funds with which to do them. I would suggest to those members, who doubtless mean well, that they should leave these things in the hands of the Minister of Veterans Affairs (Mr. Gregg), who is highly qualified and who receives expert advice from various sections of his department. Some of these suggestions rather imply criticism of the minister, who I believe is handling these matters wisely and sensibly. Again, sir, may I be allowed to congratulate him on the wisdom of this resolution, and the forward step which is being taken by his department.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, a number of hon. members have expressed the hope that the minister would include in the bill a provision extending the war veterans' allowance to the widows of imperial veterans, and those of members of the allied forces who are being brought under the act by this legislation. I desire to support the plea of those members that this be done, if it should happen that such a plea is still necessary.

I want to point out that on December 10 of last year, when the parliamentary assistant to the Minister of Veterans Affairs (Mr. Mutch) announced that this legislation would be introduced at this session, I asked him this question as recorded in *Hansard* at page 3139 of December 10, 1949:

> Mr. Knowles: Will the parliamentary assistant answer one question about this if he can? Will this legislation include widows of imperial veterans and the other veterans referred to in the statement he made?
>
> Mr. Mutch: The answer to that question is yes.

Mr. Mutch: It still is.

Mr. Knowles: I am glad to hear the parliamentary assistant say that.

Mr. Gregg: I wonder if I might be allowed to interrupt the hon. member, Mr. Speaker. I would have interrupted while others were speaking but I thought perhaps each speaker was the last and I would have the opportunity, without interrupting, to make the point. I think it might save time if I clarified that point now, if I have your permission, Mr. Speaker.

Mr. Knowles: Provided I may resume afterwards.

Mr. Gregg: Yes, and if I may have the hon. member's permission as well. Without going back into history, the veterans' organizations and my department searched for and worked out some common point or some basic starting point for this, and that was the twenty-year residence in Canada. That is a purely artificial figure. Nevertheless, it seemed to be reasonable, fair, and as good as could be done at this particular time, at any rate. So twenty years it was and is. Consequently, with that as a base, this amendment envisages legislation that will put this group of veterans with twenty years' residence in Canada, whether they die before April 1 or are alive after April 1, on exactly the same basis with respect to themselves and their dependents as though they had been born in Canada and were recipients.

Mr. Knowles: I want to thank the minister for interrupting and making that point clear. I had hoped and had dared to believe that that was the situation. I find, in fact, that the section of the act that refers to payments to be made to the widows and orphans says that this applies to widows of veterans as defined in section 4 of this act. I take it, therefore, that what the bill will do, when it is brought in, will be to amend the definition of "veteran" in section 4 of the act so as to include the classes of veterans referred to in the resolution. Once those veterans are defined as veterans for purposes of the act, I take it that any widow of any veteran referred to in the act will qualify. I see the minister nodding his head, and I think that clarifies the point. I am glad that he interrupted to do so.

The next comment I should like to make is in relation to the continuing plea for the War Veterans Allowance Act to be amended so as to include the veterans of world war I who got only as far as England. The hon. member for Coast-Capilano (Mr. Sinclair) has already stated the case quite well so that I need not go into it further, but there is just this that I want to say. On March 16 of this year, as recorded at page 841 of *Hansard*, the parliamentary assistant to the Minister of Veterans Affairs answered two questions of mine which were as follows:

1. How many Canadian veterans of world war I, not now eligible for any benefits under the provisions of the War Veterans Allowance Act, could qualify for an allowance thereunder if the United Kingdom were declared a theatre of war in world war I for the purposes of the said act?

2. How many widows of Canadian veterans of world war I, not now eligible for any benefits under the provisions of the War Veterans Allowance Act, could qualify for an allowance thereunder if the United Kingdom were declared a theatre of war in world war I for the purposes of the said act?

This is the answer:

Mr. Mutch: Statistics covering these categories have never been compiled.

Estimated number of veterans alive today who served during world war I in the United Kingdom but not in an actual theatre of war as presently defined in the War Veterans Allowance Act: 51,000.

Then there is another sentence that I need not bother to give, and another paragraph in that answer says that the estimated number of widows of veterans who got only to England in world war I would be 7,600.

Some who have looked at these figures have said to me that the large number of them seems to be the reason for the government not acceding to our request that they be included under the provisions of the War Veterans Allowance Act. I understand, however, that as to the 33,000 veterans who are on the war veterans allowance, they represent something in the neighbourhood of 15 per cent of the total number of veterans alive today who saw service in world war I in an actual theatre of war and qualify for war veterans allowance if they meet the means test and other provisions. I think it would be fair to assume that the percentage of those who got only to England and the percentage of widows of those who got only to England would be no higher than the percentage of those who got into France. As a matter of fact, I would imagine that the percentage might be a little bit lower.

All I wanted to do in this portion of my remarks was to point out that if you reduce those figures to 15 per cent, it leaves you with about 7,000 veterans—or a little over—who got only to England in world war I who might qualify if England were made a theatre of war for that war. Similarly, the number of widows of veterans of world war I, where the veteran got to England but did not get to France, would probably not be over 1,000. I realize that those figures, 7,000 veterans and 1,000 widows, are more in number than the number being brought in under the provision that is before us in this resolution; but they still are not extensive numbers and they are a good deal less than the estimates that the parliamentary assistant placed on *Hansard* at page 841.

Despite what the hon. member for Parkdale (Mr. Hunter) has just said, I feel that we are not asking for too much in pressing our point that England should be made a theatre of war in world war I as it is in world war II and that there should be that uniformity of treatment of veterans and their widows. I hope the point will be considered further, and favourably.

I also want to support those who have argued that the time has come for the amount of the allowance to be increased. Excellent

arguments have been made tonight on all sides for this increase; and as the minister probably knows, he will have equally excellent arguments placed before him in a week or so when representatives of the non-pensioned veterans' widows come to Ottawa again and seek an audience with him. I was disappointed earlier in the session when he indicated that he was not at that time prepared to recommend to cabinet that the request of that association be given consideration. I hope that in the weeks that have gone by since then further consideration may have been given to the matter and that we may get at least the figures that have been mentioned tonight, the figures proposed by the Legion, the figures that were mentioned in the resolution by the hon. member for Burnaby-Richmond (Mr. Goode), of $50 a month for a single veteran, $85 a month for a married veteran, and $50 a month in the case of a widow.

The next comment I should like to make is in relation to something else that was said earlier this evening. I think it is sometimes referred to as the case of a veteran under domiciliary care. It seems unfair that the wife of a veteran in hospital should suffer the reduction in her income that is the case under the regulations as they now stand. It has been suggested to me—and I think it is a reasonable request—that the wife of a veteran on burnt out pension, who has to go to hospital, should get not less than she will get if she becomes a widow. That happens at the present time. The wife of the veteran who has had to go to hospital, a veteran on burnt out pension, may be cut down pretty low in the amount that she will get; but if the veteran dies and she meets the various qualifications, she may get the $40.41 a month that is now being paid, or $50 a month which we hope will soon be the case. I simply put that suggestion before the minister, that in that situation the amount paid to the wife of a veteran in hospital should certainly not be less than the amount of the allowance that is available to a widow under this act.

One other thought, Mr. Speaker, and I shall take my seat. A good deal has been said this evening by way of comparing the burnt out pension with the old age pension. The comments that have been made were very much to the point, and hon. members generally have appreciated their force. I should like to say this. It seems to me that it would simplify the whole business, and would be a lot fairer to all concerned, if we could soon get to the point where old age pension was paid to all without a means test. I am doing my best toward that end. Then the people who are now made recipients of war veterans allowances could be made recipients of that proper old age pension at an earlier age. After all, that is what the war veterans allowance was thought to be in the first instance; but as it stands it imposes what is sometimes referred to as a social service burden on the Department of Veterans Affairs. The result is you have two separate means test programs now in effect, namely, the one with respect to the old age pension, and the one with respect to the burnt out pension. It seems to me the simplest way to do it would be for the government—this is a problem not only for the Minister of Veterans Affairs; it is a problem for the government as a whole—to get as quickly as possible to a proper old age pension without a means test. Veterans then who are at whatever age has been decided upon for the old age pension would get it in full without any question, and the legislation could include a provision that veterans ten years younger than the age for the old age pension be entitled to draw that pension at that earlier age, because of their service and because of what that service has done by causing them to age earlier. It might be a good idea for the Minister of Veterans Affairs, or his parliamentary assistant, to draw up a brief and come before our committee on old age security and urge that that be done.

Again I am glad to see the Minister of Veterans Affairs nodding his head. And if a motion is necessary to hear the Minister of Veterans Affairs, or his parliamentary assistant, I am sure that the hon. member to my right, the member for Eglinton (Mr. Fleming), will be glad to join with me in seeing that that motion is put before the committee.

Mr. Gordon Graydon (Peel): Mr. Speaker, I know that at this late stage of the debate one might be tempted to repeat unduly and perhaps not present the case as well as it has been presented by so many distinguished speakers who have preceded me this evening. Whatever may be the character of the remarks I have to make, I am hoping to make them shorter than anyone who has preceded me in the debate. I have no desire to go over the field which has been so well traversed in this discussion by those who are so familiar with it. I just want to bring to the minister's attention three points. It is not because I am in any way minimizing the importance of other matters which ought to be and have been brought to his attention, but simply that these three points may perhaps be emphasized at this stage.

First of all, Mr. Speaker, I think we should have a standing committee on veterans affairs. Second, I think the Canadian war veterans in

world war I who served in Britain ought to come within the terms of the War Veterans Allowance Act. Third, I think the means test with respect to the war veterans' allowance should be abolished. Thank you, Mr. Speaker.

Mr. T. J. Kickham (Kings): Mr. Speaker, I should like to say a few words on the resolution as proposed by the Minister of Veterans Affairs (Mr. Gregg). I am in full agreement with the amendment as brought before the house to extend assistance to veterans other than Canadian citizens at the time of enlistment, and especially with the provision which the minister has incorporated in the resolution, namely, to include former members of the forces of His Majesty's allies who have resided in Canada for not less than twenty years. I think that is a very fair provision.

I am thinking, Mr. Speaker, of another group of war service veterans who were Canadian citizens when they enlisted in the Canadian forces. I have had many letters appealing to me to make recommendations on their behalf. They have written to various Legion branches in some instances. I am referring now particularly to returned veterans of Prince Edward Island who fought with the Canadian forces in the two last wars. Many of these veterans have appealed to me on the ground that their appeals and requests for assistance under the War Veterans Allowance Act and the war veterans pension act have been rejected. They feel very keenly that they have not been used fairly. They feel that they have not been used as they should have been used. They also feel, as do many of their fellow citizens who are non-veterans, like myself, that those men should be accorded better treatment by the department than they have received in the past. I am not criticizing the government nor the Minister of Veterans Affairs in this connection; but I believe that many of these marginal cases that are examined by medical doctors should receive the benefit of the doubt. I do not wish to cause any alarm over the situation, but I do wish to say, as the hon. member for Coast-Capilano (Mr. Sinclair) said, that the Canadian veteran has been treated as well as, and possibly better than, any other veteran in the world with the possible exception of the veterans who fought with the United States forces.

Yesterday I had a request from a veteran of the first world war. His case is conspicuous. He enlisted and was placed in category A. He was sent to England, and in preparation for training along the English channel he contracted rheumatism. He was sent before the medical officer, placed in category C and returned to Canada. On making application for some assistance under the War Veterans Allowance Act he was told that the expiry date for receiving such applications was in the year 1936. I am not sure of the date, but it is immaterial. This case appeals to me and I have had one or two other cases brought to my attention. One of these, for instance, was where a war veteran had died and the widow did not receive the pension after the veteran's death. I cannot see any condition that should result in such a decision by the board where, after a veteran has died leaving a widow and a small family, the pension should be discontinued.

In closing my remarks may I repeat that I am fully in accord with the resolution extending the benefits to veterans other than those who were Canadian citizens when they enlisted. But I am appealing to the minister and the government to try to satisfy those needy cases concerning veterans who were Canadian citizens when they enlisted. It would be a grave mistake in connection with the administration of the various acts of government concerned with veterans affairs if a shadow were cast over this beneficial legislation because it did not include those cases where veterans have not received what they considered justice, or received what was not considered justice by ordinary citizens.

Mr. D. S. Harkness (Calgary East): Mr. Speaker, I am glad that at long last a measure of this kind has been introduced. Since I came to the House of Commons in 1945 veterans' organizations in Canada have been pressing for the inclusion of the so-called imperial veterans under the provisions of the War Veterans Allowance Act. It certainly marks a distinct step forward to have these benefits under the act thus extended.

I am sorry to see that when this is being done the benefits are not at the same time being extended to those Canadian soldiers who served only in England during the first world war. That matter has been discussed at some length already, so I shall not do more than mention it. I am also disappointed that the amount of the war veterans' allowance is not being increased to at least the amount of old age pensions.

I am glad to hear that some members on the government side of the house are in support of the idea that the allowance should be increased, and also that Canadians who served only in England should be included in the act.

I believe it was the hon. member for Parkdale (Mr. Hunter) who spoke at some length about the expense of doing this, and made the suggestion that it should not be expected that these benefits should be extended to a

point where expenses would be unduly increased. May I point out to him and to any others who may have similar ideas that it is only as a result of at least five years of constant effort that the present provision has been introduced so as to extend the benefits of the act to the imperial veterans. It is only by talking constantly about these matters and urging their necessity that we make progress.

So far as the expense involved is concerned, I think it has been indicated by some hon. members already that the expense would not be great. Let me add only this, that the amount of money it would cost could be readily saved by the government's cutting out some of its expensive agencies, and the large amounts spent in travelling expenses and the like. Perhaps these decreases would have good results, even in the departments concerned, and certainly it would be beneficial for the veterans.

Let me speak briefly about the so-called increase granted a year or so ago. The general impression that went out to the country was that war veterans' allowances were being increased by $10 a month. That was not the case. As a matter of fact this $10 was a welfare allowance contingent upon a means test. So far as I know, no one in that part of the country from which I come has received the benefit of that $10; no matter how desperate his circumstances may have been, he just did not get it. How desperate people had to be to get that $10, I do not know; but I do know that three or four people who came to me, and whose cases I took up with the department, were not able to get it. How one's circumstances could be much worse than the circumstances in those cases, it is difficult to imagine.

I do not wish to discuss these matters to any great extent, but I do think a point made by the hon. member for Vancouver-Quadra (Mr. Green) has some bearing in this connection, and that is that the payment of these war veterans' allowances to people who qualify under the new provisions should be made retroactive to the date on which it was first announced it should be paid. Announcements of this kind raise hopes in people's minds when they know they qualify and will subsequently come under the act. It is a bitter thing, a disappointing thing, to have the allowance promised and then to have it delayed, delayed, delayed, indefinitely. Eventually when it does come, having expected it for so long, this hope deferred has a rather bad effect. From that point of view particularly I suggest payment should be made retroactive at least to the first of this year.

I believe the decentralization feature is a good one. One of the difficulties I have encountered in various cases which have come to my attention has been the high degree of complaint concerning the red tape involved and the length of time it takes to have the matter cleared up. In some cases an allowance is cut down. The length of time it takes to find out why it has been cut, and to have the matter reviewed, and in some cases adjusted, or some satisfactory explanation given, is in many cases quite out of proportion. Decentralization of authority in the hands of local boards who can handle these matters will get away from much of that difficulty, and make the working of the act more humane and more satisfactory to the recipients.

The desirability of having a standing committee on veterans affairs has been urged by several other hon. members, and I shall only mention it at this time. I believe a considerable number of complaints by veterans could be handled readily and with great advantage to the government and the veterans themselves through the establishment of a committee of that kind. Again I would strongly urge upon the government that such a committee be established.

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

Mr. Pearkes: May we have some further clarification regarding the allowance which would be paid to the widows of imperial pensioners? If an imperial pensioner dies before his 20 years' residence in this country has expired, but his widow has continued to live on here and has resided in Canada for twenty years, will she or will she not be in receipt of the allowance?

Mr. Gregg: No; if the veteran died prior to spending twenty years in Canada, then his widow would not be eligible. As I interjected before, there had to be a time somewhere as a base from which to start. That was twenty years' residence in Canada. One can go back and visualize a veteran coming from Scotland in 1920 with his wife and dying the day he arrived in Halifax. That would be an extreme case. Where between that and the 20-year period would you draw the line? In order to bring these veterans into the same position as those now receiving war veterans' allowances the 20-year residence was taken as the basic factor. If a man came to this country in 1920, lived here until 1940 and died, his wife would be eligible to apply.

Mr. Pearkes: But the veteran himself must live in Canada for the 20 years?

Mr. Gregg: That is right.

Mr. Pearkes: I was urging that the widow of a veteran who had herself lived in Canada for 20 years should receive the benefits of the act.

Mr. Gregg: If she had service in her own right.

Mr. Pearkes: Then she would be a veteran herself. The representations that have been made to me have been made on behalf of widows of veterans who died before the 20-year period was up. Has the minister made any inquiry as to how many such widows there are in Canada, that is, widows of imperial veterans who lived here for a certain period of time and then passed away before 20 years' residence had been completed?

Mr. Gregg: In connection with this whole matter of war veterans' allowances and pensions, the widow as such has no rights except those from her veteran husband. In the case of old age pensions the widow would be a person in her own right. If she had never had a husband she could receive an old age pension when she reached a certain age. In this case the allowance is provided to the veteran for the wife while he is alive so that he may have more for himself, if you want to take a selfish view. We studied this matter carefully and could not see the equity of treating the widows of this group any different from those who are already in receipt of war veterans' allowances. If we made it possible for widows of veterans of this group who were in the country for only a year or two to qualify, when we were taking the 20-year period in Canada as essential for the veteran himself before he could qualify, we felt that there would be inequity. Twenty years has been taken as the basic period, both for the veteran himself and for his widow.

Mr. Pearkes: It is not 20 years for the widow; it is 20 years for the veteran. It does not matter how long the widow may have lived here. After all, the widow has been in partnership with the veteran. The widow of a Canadian veteran who was eligible for war veterans' allowances is entitled to an allowance when she reaches 55 years of age.

Mr. Gregg: Yes.

Mr. Pearkes: Surely the same principle should apply in this case. There does not seem to be any equity about it. Here is a woman who has lived in Canada for 20 years. If her husband had lived in Canada for 20 years she would be entitled to war veterans' allowance. Because he died, is her postiion any better? If her husband dies is her position so much better? Surely she should receive consideration if she has lived in this country for 20 years. She would have received consideration if her husband had continued to live, but if he has died her position will be more pitiful and she is deprived of the opportunity to receive the allowance that she would have got had her husband lived. We hear about equity but I do not think there is any equity about it.

Mr. Knowles: I am afraid I thanked the minister a little too readily for the interjection he made during my remarks. I certainly did not understand from what he said at that time that the interpretation was such as he has now given to the hon. member for Nanaimo.

Mr. Gregg: It is exactly the same as I gave to my hon. friend.

Mr. Pearkes: It is not.

Mr. Knowles: The interpretation may be the same, but when we get the details spelled out we run into anomalies such as the hon. member for Nanaimo has pointed out and which are going to have to be ironed out sooner or later. Certainly the widows interested in this matter thought that the statement of the parliamentary assistant on December 10 included all widows of imperial veterans that had been here 20 years. I notice the parliamentary assistant shaking his head. I know that some of these widows in Winnipeg certainly suggested that they were quite happy over the statement.

Let me take the cases of two imperial veterans who came from England in 1925, both being married. The one dies in 1944 and the other dies in 1946. I take it from what the minister has now said that the widow of the veteran who died in 1946, who had lived in Canada 21 years before he died, would qualify, whereas the widow of the veteran who had lived here only 19 years before dying would not qualify. Is that correct?

Mr. Gregg: That is quite correct. As in everything else where there is a cut-off date there are always borderline cases. Where that cut-off date creates the effect the hon. member has indicated, the inference he makes would be correct.

Mr. Knowles: It does not answer the situation just to give a technical explanation like that. It does not seem equitable or fair. It is difficult to think up an example on the spur of the moment but I am sure there will be other cases where a widow who has not lived in Canada as long as the widow to whom I have referred will qualify because the husband could have qualified. I notice the parliamentary assistant nods his head again.

Look at the inequity of the situation. You will have a widow who has not been in Canada very long qualifying, and then on the

other hand you will have the widow to whom I just referred who has been in Canada since 1925 not qualifying. Some of these widows are mothers of sons who served in the second war and yet there is no provision for them because they do not meet particular qualifications. I think the minister should think this thing through further.

Mr. Pouliot: Before the minister answers I should like to ask him a question. We have heard a lot about the widows of imperial veterans, and Canada is generous to them. I should like to know how many veterans of the Canadian armed services are receiving pensions in Great Britain from the British government. To my knowledge the number would be small, but I would be most interested to have some information about it.

While I am addressing you, sir, I should like to make two other observations. The first has to do with the two secretaries of the minister, Colonel Macbeth and Mr. Bosse. They are most helpful to hon. members who get in touch with them, and I take this opportunity to pay my tribute to them. I can tell you, however, that we have many difficulties with the pension commission. If the returned men were fairly dealt with by that commission there would be no need for allowances.

An hon. Member: Order.

Mr. Pouliot: I will explain the link between the first and second parts of my argument. I am perfectly in order in making that comparison between pensions and allowances because a pension is a matter of right, a debt of the state to a man who has served in one of the three branches of the armed forces. On the other hand an allowance is temporary, a sort of gift or donation. If we have allowances to returned men it is precisely because the pension commission has done nothing for them, or has not done enough. Sometimes a little bonus is given by the allowance branch of the department to men already in receipt of pensions because those pensions are too small. This is nonsense. Such cases should be reviewed by the commission and such men should be dealt with as they deserve, as a matter of right. I have had this in mind to say for a long time.

It is surprising how many reasons the pension commission can find for refusing an application on behalf of a returned man. Not only that; in many cases men suffer from disabilities resulting from their service, and undoubtedly are entitled to pension. That is the spirit and letter of the act. Nothing is given them, however, because the pension commission is inactive and serves very little purpose except to refuse applications. Then we have to call upon the allowance board to redress the wrongs caused by the pension commission. That is pretty hard to think of. The minister has been most fair with me, but he knows I want to have as little as possible to do with the pension commission. I am fed up with them; it is a waste of time.

As to the allowance board, they are supposedly economical, and give allowances with a dropper. It is not an open tap, just a dropper in most cases. I give the minister credit; he has one of the finest war records, and he does his best when any case is submitted to him. But we strike an obstacle at once, and that obstacle is always the pension commission. The men who make up that commission have fine war records, but that is no defence when we have a justifiable claim that is rejected. I know of many men who cannot get justice from this pension board, and I complain bitterly about it as a member of parliament and as a friend of the soldiers. How is it that some cases dating back to the first war have not been settled yet? I know some men who were powerfully built. They were in the trenches for many months, sleeping in the mud, suffering from cold—

The Deputy Chairman: Order. I am sorry to interrupt the hon. member, but I must ask him to keep his remarks relevant to the subject under discussion.

Mr. Pouliot: May I finish my sentence?

The Deputy Chairman: The hon. member may complete his sentence.

Mr. Pouliot: While these men apparently were in class A at the time of their discharge, later they were found to be suffering from disabilities due to war service that had not appeared at that time. That is why they were not dealt with at a time when the pension commission was more generous than it is now.

Mr. Green: May I suggest to the minister through you, Mr. Chairman, that he give consideration to making the test the date the veteran came to Canada. If he came to Canada twenty years ago, the widow should be eligible. I think that is the idea we all had, but on the basis of the minister's statement no widow whose husband died before 1940 can possibly establish eligibility. None of these imperials came here before 1920. Many of them came after that, up to as late as 1930. If the act is to read as the minister suggests, the widow of a man who came here in 1930 and is now dead has no possible chance of getting the allowance. I do not think the proposal made by the minister meets the wishes of the great majority of the members of this house. I think we all feel the same way about it, and I suggest that he try to work out an amendment which will

provide that if the husband came here twenty years ago the widow may get entitlement.

Mr. Applewhaite: May I ask the minister if there are any widows of Canadian veterans drawing pensions or allowances under the act whose husbands did not qualify for and receive the war veterans' allowance?

Mr. Thomas: I want to add my protest to those already expressed. I think this is a case of gross discrimination. I do not believe any widow should be penalized because of the death of her husband. I am sure it was not her fault if she could not keep him alive for twenty years, and the chances are that she did not contribute in any way to his death. I believe this matter should be considered more fully, because after all these widows have contributed their share toward the welfare of the country even after the death of their husbands.

Mr. Gregg: There are just two points I desire to mention. First, I should like to thank hon. members for the constructive suggestions that were made, and I shall attempt to deal with them later. There are two points I want to make with regard to what has been said latterly. First, in response to a direct question asked by the member for Temiscouata (Mr. Pouliot), I may say there is nothing equivalent to the burnt-out pension or war veterans' allowance granted by the British government to Canadians resident in England.

Mr. Lennard: That is not what was asked. The member asked about pensions.

Mr. Gregg: I understood he was speaking about pensions. The other point regarding widows, I am not going to discuss at length. The basis of this whole legislation is that it is for veterans. It is for that reason we have taken it that twenty years' residence in Canada would bring benefits to these veterans and their dependents equal to those who had served in the Canadian forces, and who are now in receipt of a war veterans' allowance.

Mr. Pearkes: Can the minister give an answer to the question I asked concerning the number of widows?

Mr. Gregg: I have not that information before me, but I shall try to get it.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we shall spend the day on estimates, first the estimates of the Department of Citizenship and Immigration and then veterans affairs.

Mr. Green: May I ask the minister whether it is the intention to go right ahead with the estimates of the first department until they are completed?

Mr. Fournier (Hull): We are ready to go ahead if nobody stops us.

It being five minutes after eleven o'clock, the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, April 21, 1950

The house met at three o'clock.

COMMITTEES OF THE HOUSE

RAILWAYS AND SHIPPING—CONCURRENCE IN THIRD REPORT

Mr. Hughes Cleaver (Halton) presented the third report of the special committee on railways and shipping owned, operated and controlled by the government, and moved that the report be concurred in.

Motion agreed to.

EXTERNAL AFFAIRS—CONCURRENCE IN FIRST REPORT

Mr. J. A. Bradette (Cochrane) presented the first report of the standing committee on external affairs, and moved that the report be concurred in.

Motion agreed to.

BANKING AND COMMERCE—EXTERNAL AFFAIRS —RAILWAYS, CANALS AND TELEGRAPH LINES— CHANGES IN PERSONNEL

Mr. W. G. Weir (Portage-Neepawa) moved:

That the name of Mr. Byrne be substituted for that of Mr. Laing on the standing committee on banking and commerce.

That the name of Mr. Goode be substituted for that of Mr. Laing on the standing committee on external affairs.

That the name of Mr. Smith (Calgary West) be substituted for that of Mr. Black (Cumberland); that the name of Mr. Pearkes be substituted for that of Mr. Murphy; that the name of Mr. Higgins be substituted for that of Mr. Hatfield, and that the name of Mr. Harkness be substituted for that of Mr. McLure, on the standing committee on railways, canals and telegraph lines.

Motion agreed to.

TRADE AND COMMERCE

PUBLIC AND PRIVATE INVESTMENT IN CANADA— SUPPLY OF BUILDING MATERIALS

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I desire to lay on the table a report issued by the Department of Trade and Commerce entitled, "Public and Private Investment in Canada, Outlook 1950", as well as a report issued by the same department entitled, "Supply of Building Materials in Canada, Outlook 1950".

BANKRUPTCY ACT

STATEMENT AS TO PROBABLE DATE OF PROCLAMATION

Hon. Stuart S. Garson (Minister of Justice): On April 17 the member for Eglinton (Mr. Fleming) asked a question as to when the Bankruptcy Act, 1949, would be proclaimed. At that time I said the matter was under consideration with the new superintendent of bankruptcy, and that an announcement would be made in due course. I should like to make that announcement now.

The Bankruptcy Act, 1949, received royal assent on December 10, 1949. Since that time the bankruptcy branch of the Department of Justice has been engaged in the preparation of a draft of general rules to be made by the governor in council under the act. This draft consists of a large number of rules, tariff items and forms. All the official receivers and registrars in bankruptcy were asked in December, 1949, for their comments and suggestions in connection with this draft, and replies are still being received from them. On April 13 last copies of this draft were sent to certain bankruptcy court judges and officials who were requested to let the superintendent of bankruptcy have their comments before May 1 next.

Various interested parties and organizations have made representations concerning these rules, which have raised questions of policy which will have to be settled before the final form of the rules is decided upon. When the general rules have been settled and have been passed by the governor in council, we propose to have them printed and distributed to all the trustees and to officials of the bankruptcy courts in sufficient time for these officials to familiarize themselves with the act and the rules before the act is proclaimed.

At the present time we consider that the earliest date on which it would be appropriate to proclaim the Bankruptcy Act, 1949, would be July 1, 1950.

STEAMSHIP INSPECTION

REGULATIONS TO IMPLEMENT KELLOCK REPORT ON "NORONIC" DISASTER

Hon. Lionel Chevrier (Minister of Transport): On December 8 last, Mr. Speaker, I indicated to the house that the recommendations of the commissioner in the investigation

of the *Noronic* disaster would be incorporated in the regulations of the steamship inspection service of the Department of Transport. On my instructions, departmental officers immediately applied themselves to this task, and late in December proposed regulations incorporating the recommendations of the commissioner were circulated to all ship owners to whom the new regulations would apply. Since the beginning of the year the steamship inspection board has had occasion to meet with representatives of the industry, not only in Ottawa but also on the Pacific coast.

It is the right of the public to demand reasonable protection when travelling by ship, and after most serious consideration, and on the advice of the board of steamship inspection and other officers of my department, it was decided to use the international convention for the safety of life at sea as a guide in the preparation of regulations to implement the Kellock report.

The convention to which I refer was held in London in 1948. It was composed of technical experts of almost all the maritime nations of the world, and I am sure no recognized authority would assert that the provisions of this convention do not afford the protection to which the public is entitled.

The recommendations made by the commissioner are to be implemented as far as conditions will permit. On existing ships the period of time between now and the placing of these ships in commission is too short to allow complete compliance with all the regulations; however, the principal requirements will be implemented and as many of the others as time will permit. No passenger ship will be allowed to enter into service without complying with the new regulations to the extent which is practicable.

Several ship owners have already taken steps to implement many of the commissioner's recommendations. One firm on the Pacific coast has had fire-resisting bulkheads and several other additional items of equipment fitted in one of its ships, and arrangements are being made for similar changes on another of their vessels. An eastern company operating on the St. Lawrence river and great lakes has arranged, before placing four of its ships in commission this summer, to have fire-resisting bulkheads, a partial sprinkling system, public address system, fire detection system, fire alarm system and manually supervised patrol system fitted throughout each of its four ships.

In the application of the regulations, care will be taken to avoid the necessity of curtailment of services. Decisions in these matters will, consistent with safety, be made by the board of steamship inspection and not by any individual steamship inspector.

In all forms of passenger transportation, be it by air, rail, or water, there is always, of course, an element of hazard, and conditions are and will continue to be frequently reviewed in order to limit these hazards as much as possible. I am satisfied that passengers on board Canadian ships will be receiving a much greater amount of protection under the new regulations. These have been approved by order in council P.C. 1896, of April 12, 1950, copy of which I now table.

Mr. Green: Will there not be an opportunity for the members of the house to give consideration to these regulations? As the minister will recall, I suggested that some weeks ago. As yet we have had no chance to see these regulations. It was my understanding that we would be given an opportunity to review them. There is also involved the question of amendments to the Canada Shipping Act. Are there to be any amendments at this session? Can the minister answer these two questions?

Mr. Chevrier: With reference to the first question, may I say there will be ample opportunity, as I indicated heretofore, for discussion of the steamship regulations.

Mr. Green: When? On what occasion?

Mr. Chevrier: On the estimates of the Department of Transport. With reference to the second subject, may I say that I think there is included in the speech from the throne an assurance that the Canada Shipping Act will be amended. The bill implementing that undertaking is in the process of being prepared, and I hope that, in the not too distant future, it will be on the order paper.

Mr. Fulford: Will new regulations be introduced at this session pertaining to small craft driven by gasoline or diesel motive power? I refer to craft under sixty-five feet in length.

Mr. Chevrier: The steamship regulations which I have just tabled do not apply to the form of transport mentioned by my hon. friend, but the amendments to the Canada Shipping Act will cover the point that he has in mind.

Mr. Fraser: May I ask the minister if copies of the amendments that he has just tabled will be available for the committee on railways and shipping? We should have these, I believe, because we are interested.

Mr. Chevrier: They have been tabled; they have been published in the *Canada Gazette*, and they can be obtained by anyone in the house.

Mr. Fraser: That is all right, then.

DEPARTMENT OF TRANSPORT STORES

AMENDMENT OF ACT WITH RESPECT TO OUTSTANDING ADVANCES, OBSOLETE STORES, ETC.

Hon. Lionel Chevrier (Minister of Transport) moved for leave to introduce Bill No. 135, to amend the Department of Transport Stores Act.

Mr. Knowles: Explain.

Mr. Chevrier: Mr. Speaker, the object of this bill is to increase the value of stores in the Department of Transport from $1 million to $5 million. Because of the increase in the price of stores, the expansion of the department by the inclusion of the air services, and the entry into confederation of Newfoundland, the present act has become obsolete. It has therefore been felt necessary to amend it.

It is also the intention to add one or two sections which will change the accounting system, and which will provide for the disposal of obsolescent stores.

Motion agreed to and bill read the first time.

TARIFFS AND TRADE

QUESTION AS TO JAPAN'S PARTICIPATION IN GENERAL AGREEMENT

On the orders of the day:

Mr. W. Ross Thatcher (Moose Jaw): I should like to direct a question to the Minister of Trade and Commerce. Has the government of Canada opposed Japan's entry into the general agreement on tariffs and trade? If it has, will the minister explain the reasons to the house?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I am not in a position to answer that question at the moment, but I shall make inquiries and answer it later.

POULTRY

OUTBREAK OF NEWCASTLE DISEASE IN BRITISH COLUMBIA FLOCKS

On the orders of the day:

Mr. W. M. Mott (New Westminster): I wish to direct a question to the Minister of Agriculture. In view of the report of the outbreak of a dread disease, known as Newcastle disease, among poultry flocks in British Columbia, would the minister care to make a statement?

Inquiries of the Ministry

Right Hon. J. G. Gardiner (Minister of Agriculture): The hon. member was kind enough to give me notice of his question, and I have a short prepared statement with regard to the matter.

In regard to Newcastle disease in poultry, there has been an outbreak of Newcastle disease in a number of poultry flocks in the Fraser valley area of British Columbia. The first case was discovered and dealt with on February 26, 1950. Up to April 19 the disease has been reported and dealt with in seventeen additional flocks. The total number of birds involved to date is approximately 45,000. This is out of an estimated population of 3 million birds in British Columbia.

Since Newcastle disease in poultry is highly infectious and the mortality rate is heavy, it is extremely important that action be taken to prevent its establishment and spread throughout the poultry flocks of Canada. For some years past there have been occasional outbreaks in different provinces, and all have been dealt with in the same way, namely, by quarantine, slaughter, disinfection of premises, and compensation to the owners for the birds slaughtered. This method has kept the disease from gaining a foothold in Canada and has protected the poultry industry generally against heavy losses which almost certainly would have followed the uncontrolled spread of the disease.

With regard to the British Columbia outbreak, the indications are that new cases are diminishing in number and importance. Dr. Kenneth Wells, of the headquarters staff of the health of animals division, has flown to Vancouver to make an on-the-spot check of the situation and to keep us fully informed. He will also confer with provincial authorities as to what is being done, and what, if any, additional action might be taken.

It has been suggested by several people that we should abandon our present slaughter and compensation policy and instead authorize the importation and use of vaccine. So far departmental officials believe that a vaccination policy would be unwise, even though the efficacy of vaccine were proven, about which there is some doubt. It is pointed out that once the present policy of rigid control is abandoned, all poultry flock owners might be faced with the alternative of vaccination or the acceptance of heavy losses from the disease itself. While there is every hope of keeping complete control of the situation by the present methods, it seems highly inadvisable to subject the entire industry to the risk and expense which would

be involved in the substitution of a vaccination policy. The departmental officers will continue to watch the situation closely and report frequently on developments.

Mr. Pearkes: May I ask a supplementary question? Have any experiments been carried out within the last year with the idea of finding a cure for this dread disease, rather than merely slaughtering the birds? No doubt the minister will remember that a year ago I sent in a report from a constituent of mine who claimed to have developed a cure for it.

Mr. Gardiner: I think the only method of treatment, other than that which is being followed, is the importation and distribution of vaccine, which I understand has been utilized in the United States and elsewhere fairly successfully under certain conditions. The effect of this statement is that with this outbreak on our hands at the moment, it is better for everyone concerned that we proceed with the methods we have been following, namely, to destroy the birds that are affected and get the disease stamped out, and from there on to consider the possibility of applying the other method which has been experimented with, but which they say in this statement has not been absolutely proved as a method of stamping out the disease.

Mr Graydon: What is the nature of the disease?

Mr. Gardiner: It is a virus that enters the chicken in some way or other and causes its death. It is a disease which spreads very rapidly.

SIR BASIL BROOKE

INQUIRY WITH RESPECT TO VISIT OF PRIME MINISTER OF NORTHERN IRELAND

On the orders of the day:

Mr. W. Ross Thatcher (Moose Jaw): I wished to direct a question to the Irish half of the Prime Minister, but since he is not here I shall ask it of the Acting Prime Minister. Have any official plans been made by the Canadian government to receive the Prime Minister of Northern Ireland?

Mr. Richard (Ottawa East): No, never.

Right Hon. C. D. Howe (Acting Prime Minister): I have reason to believe that plans have been made, but I do not know what they are. I shall be glad to make inquiries.

Mr. Richard (Ottawa East): Who wants him?

Mr. Knowles: A good Irish answer.

[Mr. Gardiner.]

INQUIRY FOR RETURN

FEDERAL GOVERNMENT PUBLICITY DIVISIONS

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to direct a question to the Secretary of State. In a return which was tabled in my name this week, 102b, and a supplementary return, all the departments of the government are not covered. Will the minister kindly see that the return is completed?

Hon. F. G. Bradley (Secretary of State): I will endeavour to get the information requested, Mr. Speaker.

SUPPLY

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

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

48. Departmental administration, $90,620.

Hon. W. E. Harris (Minister of Citizenship and Immigration): Mr. Chairman, I should like to make a brief review of the work of the department, but before doing so I should like to thank all those hon. members who in the past three or four months have been kind enough to express to me personally and in the house their good wishes on my appointment to this office. I hope they will continue to show their good will by severely criticizing any shortcomings there may be in the estimates this afternoon.

In view of the announcement on many occasions that amendments to the Indian Act will be introduced at this session, I do not propose to deal at great length with the Indian affairs branch of the department. I am prepared, however, to give some figures with respect to education and other matters mentioned in the discussion of the estimates last fall, if it is so desired. I should like, though, to say something in particular about the immigration and citizenship branches.

Although the coming into being of the Department of Citizenship and Immigration dates only from January of this year, its main branches have roots in early Canadian history. There is continuity of Indian affairs administration for about two hundred years. Citizenship registration—or naturalization as it was formerly known—and immigration go back to confederation.

The organization of the new department has not resulted in any substantial increase in personnel. A departmental administration branch became necessary and has been partly established. A construction unit had to be added to the Indian affairs branch, to take over Indian affairs engineering and construction works. Personnel for both units has

been secured from the former departments of mines and resources and reconstruction and supply.

The Prime Minister stated in the house on November 26 last:

> Having citizenship, immigration and Indian affairs in the one department would indicate that the purpose of the activities of that department was to make Canadian citizens of those who were born here of the original inhabitants of the territory, or those who migrated to this country.

The aim of the immigration branch of the department is to promote an increase in the population of Canada of carefully selected, readily assimilable immigrants within the absorptive capacity of the country. The aim of the citizenship branch is to bring about full understanding and acceptance by such persons and by the Indian population as well of the benefits and responsibilities of Canadian citizenship. It is not claimed that the objective is new—simply that it is being accentuated and the work co-ordinated.

There have been several significant migrations to Canada: the initial French settlement; the movement of British Empire Loyalists; migration from the British isles in the 1830's, and the general settlement of the west fifty years ago.

Shortly before the turn of the century the Canadian government instituted a vigorous immigration policy, with free or low-cost homesteads being held out as an inducement to land settlers. During the years 1901-1915 Canada received 2,920,625 immigrants—approximately 40 per cent from the British isles and over 30 per cent from the United States.

World war I brought to an end the heavy land settlement era, and immigration remained at a comparatively low ebb from then until 1927, when there was an upswing which lasted until 1930. Solicitation of immigration from any country was discontinued at this time, and the admissible classes narrowed. There was no substantial increase up to 1939, when the second world war intervened.

During the calendar year period 1945-49, 379,199 persons were admitted to Canada, of whom 173,090 came from the British isles and 42,428 from the United States.

Perhaps the refugee movement calls for special mention. Canada was one of the first countries to assist the United Nations in the resettlement of the millions of persons displaced from their native countries as a result of world war II. This movement has been co-ordinated by the immigration branch with the full co-operation of the departments of labour and national health and welfare. To date, 98,000 refugees have been admitted to Canada—55,000 as close relatives and nearly 42,000 under group movements, the balance being made up of orphans and unattached persons.

Applications for admission of groups of skilled and unskilled workers have been made by industries and screened by an interdepartmental committee consisting of representatives of the immigration branch and the departments of labour, external affairs and national health and welfare. Under the group movement plan, approval has been given to the admission of refugees for such employment as miners, railway workers, hydro construction workers, domestics, clothing industry workers, et cetera.

The selection, processing, transportation and reception in Canada of refugees are carried out in co-operation with the international refugee organization and the Canadian Christian council for resettlement of refugees and the departments mentioned.

The international refugee organization estimates that on June 30 next there will be approximately 405,600 coming within its mandate in camps in Europe. Of these, 216,000 are considered to be suitable for resettlement somewhere. At the present time Canada is accepting domestics and farm workers from these camps. IRO care of refugees was to have ceased on June 30, but is being continued until March 31, 1951.

Getting back to the general question, in May, 1947, Mr. King, as prime minister, outlined to the house government policy in the matter of immigration. He said:

> The policy of the government is to foster the growth of the population of Canada by the encouragement of immigration. The government will seek by legislation, regulation and vigorous administration to ensure the careful selection and permanent settlement of such numbers of immigrants as can advantageously be absorbed in the national economy.

Mr. King also indicated that it was not proposed to alter the immigration regulations in a manner that might bring about any fundamental change in the character of the population.

The basic races of Canada are French and Anglo-Saxon. With respect to immigration from France, it is regrettable that only 3,404 immigrants came to Canada from that country since the end of the war. France has not encouraged emigration for some time, and having suffered great losses in manpower in two wars within a generation, she is seeking immigration to augment her own manpower requirements. Monetary restrictions and the traditional attitude of the French towards emigration also contribute to the small movement to this country.

Exclusive of wives and dependents of Canadian servicemen, the ratio of persons from Britain to the balance was approximately five per cent lower than the ratio for the period 1901-15 to which I have already referred. Unfortunately there was a decline of almost 50 per cent in immigration from the British isles in 1949 compared with 1948.

Migration from Britain had assumed relatively normal proportions when severe restrictions on the transfer of funds to Canada were imposed by the United Kingdom government in April, 1948. Previously, immigrants had been allowed to transfer the equivalent of £5,000 in yearly instalments of £1,250. The new regulations reduced the total amount transferable to £1,000, spread equally over the same period of four years. Since then, the devaluation of the pound has aggravated the monetary problem.

Like persons from Britain and France, practically all other Europeans are unable to transfer funds freely out of their native lands. Emigration from some countries in Europe has been on a small scale for many years. The iron curtain has cut off any large scale movement of races such as Poles, Czechoslovakians and Ukrainians, who in the past formed a substantial portion of our immigration. As I announced to the house recently, German nationals who are first degree relatives of persons legally resident in Canada are now eligible for consideration under the immigration regulations.

I should like to mention briefly the migration of agriculturists from The Netherlands. For several reasons—including the flooding of part of Holland during the war, and overpopulation of the country—there became available a substantial body of first-class settlers. Netherlands authorities advised that these prospective immigrants were experienced farmers who desired to become established on farms of their own. Because of restrictions on the transfer of funds, this would not be possible in most instances, and it would be necessary for them to accept employment on Canadian farms for a year or more in order to acquire funds. This was by no means an unmixed hardship, as it would give these people an opportunity to become acquainted with farming practices and conditions in Canada, and to look around before acquiring farm property. One of the chief conditions agreed upon was that careful selection should be made of suitable farms for the placement of these families during the transition period.

Selection of immigrants is made by the Netherlands emigration foundation, following careful investigation of character and qualifications to farm.

Mr. Green: Is that a government agency?

Mr. Harris (Grey-Bruce): Yes.

The foundation arranges transportation, which is paid for by the emigrant. In Canada the movement is handled by a nomination method under which applications are made for Netherlands farmers by Canadian farmers. Settlement arrangements are investigated by the settlement service of the immigration branch.

The movement of these Netherlands agriculturists is working out very satisfactorily. About 3,000 came during 1947, 7,000 during 1948, 7,000 during 1949, and about 1,500 to date in 1950.

With few exceptions the encouragement of immigration to Canada has public support. I think we all agree that this country has benefited from past immigration. I think we all agree that this country can support a much larger population. The extent of our export trade, the tremendous production of foodstuffs, and our great natural resources, all lead to this conclusion.

Immigration policy requires the support of all Canadians, and generally speaking that support has been given. There has always been a view, though it is not widely held in Canada, that immigration may add to unemployment. There is the opposite view that immigration aids employment, and at one time or another I suppose an argument can be made out for each side. However, the statistics of unemployment during the past winter and the known destination of the immigrants would seem to indicate that employment has been aided by immigration. For example, in the province of Ontario, which received the largest number of immigrants, 183,000, out of a total of 379,000, employment was highest this winter with respect to both the total population and the total working force. Nevertheless I do not propose to argue this point, as the policy which has already been stated recognizes that from time to time the numbers to be admitted to this country would vary, having in mind conditions here.

In many instances immigrants have brought about increased opportunities for employment by Canadians through the introduction of new skills and techniques.

A good example is the so-called "refugee industries". A recent memorandum of the dominion bureau of statistics shows that 72 industries established by immigrants between 1939 and 1947 employed at the end of that year 6,127 workers to whom they paid, in that single year, $11,228,293 in salaries and wages. The gross value of the products of these industries for 1947 was $50,720,126. The

aggregate figure of salaries and wages paid by "refugee industries" between 1939 and 1947 is $62,797,422, and the global gross value of their products, $264,249,063.

To this most impressive contribution to the national economy, which has resulted directly from immigration, must be added the very large amount of capital brought to Canada by immigrants. Between September 1, 1945, and December 31, 1949, immigrants brought or transferred to Canada funds estimated by the Bank of Canada at $168 million. The value of what is known as settlers' effects, the personal belongings of immigrants, brought into the country during the same period amounted to $48 million.

It will be seen that some of the factors involved in immigration are the opportunities for the immigrant in Canada for land settlement or employment and the obtaining of the most desirable immigrants from abroad who can settle on the land or take the available employment. There are difficulties of exchange at the moment, and whether this can be overcome or not I am not prepared to say at this time; but the house can be assured that we shall adhere to the policy previously enunciated, having in mind the high quality of our citizens and the desirability of maintaining that high standard. We need both capital and people to aid in the development of our resources, and we believe that we are pursuing the best course to further this policy.

My remarks have related solely to immigration, but the reception of visitors to Canada represents a substantial portion of the duties of the immigration branch. Approximately 40 million people were checked into Canada during 1949, including the 95,000 immigrants. In order to facilitate the entry of tourists, other visitors, returning Canadians and commuters, two hundred and eighty ports of entry are operated by this department and require a staff, including part-time employees, of 1,728.

It will, therefore, be seen that the immigration branch has to maintain personnel and offices capable of receiving into Canada every year approximately 40 million people, of which only roughly one in 400 is an immigrant seeking permanent landing. Of the remainder, 24 million are tourists, and we of course are happy to have these people come to see our country and its opportunities, as no doubt we do obtain not only permanent business contacts but probably some permanent settlers out of this number. The remainder of the 40 million are Canadians who go abroad on business or as visitors, and for whom we have to provide the facilities of re-entry, or are commuters living in Canada and working in the United States. It is part of our economy that these people should be free to work at American border points and go and come daily earning their livelihood in this manner; but it should be remembered that, in order to permit this to be done, quite substantial immigration facilities have to be provided at a considerable cost.

The Canadian Citizenship Act became effective on January 1, 1947, and the administration of this act is the responsibility of the Canadian citizenship registration branch. This is a continuation of the work handled by the old naturalization branch of the Department of the Secretary of State.

There was a great increase in the work during 1947 and 1948, and the volume of applications for citizenship remained at the higher level. I should like to have consent to place on *Hansard* a statement of the certificates granted and revoked since the act came in force.

Some hon. Members: Agreed.

Mr. Harris (Grey-Bruce): The statement follows:

Certificates of citizenship granted during the years 1947-49:

	To Canadian citizens	To others	Total
1947	13,849	6,587	20,436
1948	11,147	13,411	24,558
1949	9,394	11,784	21,178
Totals	34,390	31,782	66,172

	Revocations and Cancellations
1947	170 / 423
1948	162 / 206
1949	115 / 278

During the first three years' administration of the act, anomalies came to light. Also there have been changes in the national status of some member countries of the commonwealth. For these reasons amendments are necessary, and I hope to introduce these amendments later in the session.

The Canadian citizenship branch is a division separate from the Canadian citizenship registration branch, and is designed to assist immigrants and others who are applicants for citizenship in receiving instructions in the responsibilities and privileges of Canadian citizenship.

We believe that every applicant for citizenship should share a deep conviction of the worth of the individual and the principles of democracy as we know them; we believe that there should be a greater consciousness amongst our people of the achievements of the Canadian nation, and that we should do our utmost to promote Canadian unity so that all of our people may embrace one steadfast purpose—to be good Canadian citizens.

We believe that our Canadian system is based on service to all the persons who comprise the state, and that we desire only the welfare of our people. There is no such thing as the welfare of the state as such, but only the collective welfare of all the families and individuals within our borders. Certain other countries do not believe in this system and are trying to destroy it in order to substitute one entirely different, where the individual is but one of many who are intended for service to the state. These principles are false, and we must counteract them.

To achieve these objectives, the Canadian citizenship branch is co-operating closely with the departments of education and national, provincial and local voluntary organizations, in the development of a citizenship program designed to assist in the adjustment of newcomers to the Canadian way of life, to stimulate the practice of our democratic principles, and to encourage in all citizens the will to accept their responsibilities as such.

Mr. Diefenbaker: Mr. Chairman, may I take the opportunity which this occasion offers to congratulate the minister on his appointment to the portfolio of citizenship and immigration.

All of us will have been impressed by the minister's concluding remarks respecting the work of the Canadian citizenship branch and the instructions that are given to those who are about to achieve citizenship, with a view —using the minister's words—to assuring a greater consciousness of the achievements of Canada in the past and also of the meaning of citizenship. With that aim and general purpose there will be unanimous agreement everywhere in the house.

The minister has mentioned the number of immigrants who have come to Canada in the last four years, and, as I remember the figure he gave, it was only some 20,000 under the 400,000 mark. Some came from other parts of the British commonwealth and others from the United States. Many came from continental Europe. A few years before the war there were many who felt that the migration to Canada of peoples from Europe might be detrimental to the building of a great Canadian citizenship, but if ever a viewpoint was dispelled the events between 1939 and 1945 gave an answer for all time. Those living in the prairie provinces are familiar with the large number of immigrants who came there during the period referred to by the minister, from 1900 until 1930, and saw something of the development that took place in western Canada in consequence of a dynamic immigration policy.

[Mr. Harris (Grey-Bruce).]

I like to mention the situation in my own province, and I like to think of the groups of people who came there from continental Europe. Many of them had been here only a few years at the time of the first great war, but large numbers enlisted. In the second great war I remember Major General LaFleche referring on one occasion to the number of battalions of people of German, Ukrainian, Russian, Polish, Scandinavian and other origins who enlisted for overseas service in the Canadian army, a record noble and enduring. To read of those in my own constituency who won decorations in the last war, people with surnames indicating origins other than Anglo-Saxon or French, is to have presented an example of what our citizenship means and makes one realize that surname is not necessarily synonymous with citizenship.

I speak on this subject as one of mixed origin whose people came to this country 140 years ago, on my father's side to the province of Ontario and on my mother's side to the Selkirk settlement in 1812. From the earliest days I advocated doing away with hyphenated citizenship in this country, whereby every ten years Canadians were required by the census regulations to declare their paternal origin, a requirement that was singularly annoying to those with non-Anglo-Saxon names who were thus denied the opportunity and privilege of being Canadians. Indeed our regulations were such that if the Duke of Windsor, an Englishman from the United Kingdom, had taken up residence in Alberta, every ten years he would have had to register by his German paternal origin. The continuance of such a practice would never permit the building of a strong Canadian consciousness.

When I first came to the house in 1940, and from then on, I pressed over and over again for the removal of regulations that denied to people the kind of citizenship we want in Canada. The minister speaks of Canadian unity. In my opinion nothing did more to give us a consciousness of our Canadian citizenship than the Canadian Citizenship Act of 1946. I have a certain pride in connection therewith. On the 11th of August, 1944, I advocated once more the removal of this requirement that was so detrimental to the building of Canadian citizenship, namely, the declaration of paternal origin every ten years. I recall that the then prime minister, Mr. King, stated that when the war was over he would join with me, and, as he said, with other hon. members of the same opinion, to achieve the kind of citizenship that all of us want to see developed in Canada. There is no question of denying

love of one's ancestry, but a Canadian citizenship will never be built on the basis of looking back to the country of origin.

The Canadian Citizenship Act came into effect in 1946. My hon. friend says that anomalies have arisen since that time, and that they are to be removed, so far as may be practicable and possible, in the amendments that are to be introduced. I have one suggestion to make. It has to do with those who have come to this country from continental Europe. They came here because of our citizenship and the freedom that it implies. It is true that some who come to Canada may live here for ten, fifteen or twenty years without taking out citizenship, while reaping the advantages thereof, but the great majority of those who have come here from continental Europe since the war, realizing what this citizenship means, want to become citizens as soon as possible. They have to wait five years. Many of these displaced persons are stateless. For the first five years they are in Canada, they remain, as it were, set apart within our country. They ask for some recognition of their desire for citizenship.

I suggest to the minister that we give those people an opportunity to show their desire for this citizenship and all it means, by doing what is done in the United States—allow them to secure a certificate upon making a declaration of intention to take out citizenship at the end of two years. Such a certificate would be an indication of the newcomer's wish to be a Canadian citizen as soon as possible. It would be a token of his appreciation of what our system means, and what Canadian citizenship implies. It would be a popular move in Canada. Many hundreds and thousands would take advantage of it. It would not add to the cost of government. After all, in the scale of citizenship and its preservation, dollars do not weigh very heavily against the greater benefits that citizenship conveys. Give these people that opportunity. It would do a great deal to meet the attempt among non-English-speaking communities to undermine our country by the nefarious work of communism. It would set apart the holders of such certificates as prospective Canadians who were turning their back on communism and all for which it stands.

Two years ago the then secretary of state told us that there were 78 foreign language newspapers in Canada, of which no fewer than nineteen were preaching communism. I do not know what the figures are today, but that was the indictment of the then secretary of state, now Mr. Justice Gibson. Give those who want to be Canadians the opportunity of declaring their intention at the earliest possible date, and give them evidence of our appreciation of the fact. Such a move would enable these people to show that when they came here they meant to be the kind of citizens that the minister knows the vast majority desire to be. In the days of war many of them served as Canadians and without a hyphenated Canadianism. They showed where they stood. Those who did not have the opportunity of serving would be given an opportunity to say they had turned their backs on communism and its activities. They could show that they wanted to join those who preceded them from continental Europe, by indicating their intention of taking upon themselves the responsibilities as well as the traditions of Canadian citizenship.

The minister says: Let us build in the Canadian people, and in our new citizens particularly, a consciousness of citizenship. Mr. Chairman, let us build it in our native-born citizens as well. Let us give them knowledge of what this citizenship means. The minister gave a cursory outline of Canada's immigration when he spoke of the first citizens who came here from France, and of the United Empire Loyalists. There were the German immigrants who came to Nova Scotia in the 1750's; the United Empire Loyalists who came to Canada in the 1780's and 1790's; the Selkirk settlement of 1812 and we know what that settlement has meant to Canada in the preservation of the western plains for the British crown. How many of our native-born Canadian citizens know what their citizenship means?

In the United States they got away from hyphenated considerations. One never thinks of United States citizens according to their racial origin. One never thought of Roosevelt as a Dutch-American; one never thinks of Stassen as a Norwegian-German-American; one never thinks of Eisenhower as a German-American. While retaining their paternal love of their country of origin, a common Americanism was achieved. That is what we are trying to do in Canada.

Three years ago the people of the United States did something that did more to encourage the exercise of the franchise and appreciation of citizenship than service in war. Through the instrumentality of businessmen, representatives of chambers of commerce, service clubs, and other organizations, $1,300,000 was collected and the freedom train was mobilized. It carried all the documents of the past, commencing with Magna Carta, the United States bill of rights—the ten amendments to the constitution—the Declaration of Maryland, and continuing down to the surrender of Japan on board a United States' battleship in Tokyo harbour

in 1945. By this means all those documents were placed before the citizens of the United States. The train toured the forty-eight states and brought to the people the greatness of her constitution, the significance of the lives of her statesmen, and the worthwhile things of her past.

What would similar action do to Canada? In the United States the people thereby appreciated the more what a tradition they had, and in consequence increased by about seventeen per cent the number of those going to the polls in the areas which the train visited. What a record we have in this country to carry to the Canadian people in such a freedom train! We could place directly before the people the things upon which our citizenship is built, its tradition and idealism. It would show the history of the French occupation, its explorers, its missionaries, and the contribution that has been made by French Canada to the building of this country. There is the period of the development of freedom; the Quebec Act—known for the most part only through the cursory study of history that is made in the public schools—the foundation of religious and racial freedom; and the Constitutional Act. We would see too the contribution of those of French and English origin to the preservation of this country under the British crown during the days of the American revolution. We would see their joint contributions in 1812. Those things would be visually brought to the attention of millions of Canadians. Coming down to the present, we could show something of what our freedoms mean, and how they can be preserved in but one way, by public service. The train would carry copies of the British North America Act, the act of union. It would tell of the lives of our statesmen, and of all great Canadians of the past. Such a crusade across this country would do much towards cementing our Canadian citizenship. It would show Canadians, irrespective of racial origin, that we inherit the traditions of the past; that ours is a history of achievement; that we have been a custodian of freedom in two wars. These things would be brought home to Canadians everywhere—to the school children who would visit such a train and to the older people who would live in appreciation of the past through which they themselves had lived. To the younger people it would bring an opportunity and a challenge to serve. In the United States it cost $1,300,000 to launch the freedom train that travelled across that country. I feel that the minister could do much to interest the service organizations and the like in our country in launching a similar crusade, making Canadian citizenship a living, vibrant, present thing; for without a knowledge of the past, the present sometimes becomes difficult to understand.

Those are the two ideas that occur to me to carry into effect and to mould still more a common citizenship and to do away in this country with what is disappearing year by year, namely, a division as between east and west, between creed and creed and between race and race, and to assist in the development of a national consciousness. Canadians need the realization that Canadian citizenship is not a question of whence one's ancestors came, but consists of the extent to which you and I, regardless of racial origin, will live and build for a greater Canada.

Mr. Thatcher: I shall be brief this afternoon, Mr. Chairman. I should like to concur in what the hon. member for Lake Centre has said with regard to citizenship, but personally I should like to deal with immigration specifically this afternoon. I liked the attitude of the minister in his statement, when he invited criticism of his estimates. Since coming to parliament in 1945 I have been one member who has consistently advocated a more comprehensive and a more aggressive program of immigration; I am going to do precisely that again this afternoon.

In his statement a few moments ago the minister said that "the aim of the immigration branch of the department is to promote an increase in the population of Canada". If that is the aim, it seems to me that the government has been maddeningly slow in carrying it out. I think the minister stated that we have had an annual average of about 90,000 persons coming to Canada since the end of the war. In view of our resources, and in view of our needs as a nation, surely that is not a record of which we can be too proud.

In my opinion the department we are discussing this afternoon is one of the most important of all government departments because the very future of Canada is tied up, at least to some extent, in whether this department is active or is not active.

I was pleased to read in the paper some months ago of the appointment of the new minister, and I had hoped at that time that it would augur more action on the part of this branch. I think it has, to a certain extent. I wish to congratulate the minister on the first step he took since taking over office, when he permitted certain German nationals to come to this country. That was a good step. In the past, Germans have always made good citizens in Canada, and I think they will do so in the future. My

only criticism of that step is that the regulations were not widened sufficiently; the categories were not widened; the age limits were not increased.

Some people may not agree with me today. I suppose there are a great many in the country who will not agree with me. But I think there are at least six specific reasons why Canada should adopt, and soon, a more aggressive immigration policy.

The first reason of course has to do with markets. Today we are looking all over the world for more markets. It seems to me that possibly we are overlooking a larger domestic market. If we had more people in this country, we could sell more wheat, more livestock and more manufactured goods here at home. I say that is the first reason why we should have a larger population. Our markets need not be so dependent upon the whim of foreign governments.

In the second place, of course, a larger population would mean a lower debt burden and a lower tax burden for the Canadians who are already here. As the minister himself stated, I think that, in the third place, under certain circumstances immigration actually would increase employment in this country; because every immigrant who comes to Canada is going to want a new home, furniture and the necessities of life; and these needs will create work for Canadians. I think that many of our labour officials are coming to agree with that viewpoint. Some weeks ago I read a Canadian Press dispatch which quoted Murray Cotterill, president of the Toronto labour council. On March 20, in an address in Toronto he is reported as saying:

> . . . Canada must tackle its immigration and unemployment problems concurrently if there was to be any real solution of either one . . . "the more constructive aspects of immigration are being played down." He said that immigration had not caused unemployment.

Mr. Cotterill is, I think, one of the top labour officials in this country.

Then too I should like to quote an editorial from *The Ensign* of March 15. This editorial had much in it with which I agree. It reads in part:

> Canada is suffering from unemployment because she has a population too small to absorb anything but a fraction of her own production . . .
>
> There is a relationship between unemployment and immigration . . . It is in expansion of our human and material resources, not in timid contraction, that a solution can be found.

I think that most labour leaders are realizing that immigration would not necessarily bring about more unemployment in Canada.

In the fourth place I believe a larger population would do much to solve our railway problem. Today requests are being made by the workers on the railways for increases in pay. On the other hand, we are having protests from many of our farm organizations and from many of our western provinces that railway rates must not go up. It seems to me that if Canada had a larger population and the railways had a greater volume of traffic we might be able to meet both of these demands concurrently. I am not sure whether we can meet them unless we have a larger population.

In the fifth place, I believe that more immigrants always bring aptitudes, scientific skills and new businesses to the country to which they come. Surely this would be to the advantage of Canada.

Finally, I think we need a larger population for reasons of defence, because, as has been said so many times in this house, we cannot expect that 14 million people can keep half a continent indefinitely. Something must be done in this connection. For these reasons and others I urge the minister today, or at the earliest possible moment, to announce a more concrete immigration policy.

It is interesting to note what our sister dominion, Australia, has done in dealing with this problem. Since the war Australia has had 200,000 immigrants a year on the average. It is also interesting to note what effect that immigration has had on employment. Here on March 1, if my memory serves me, we had upwards of 400,000 people drawing unemployment insurance. The figure was somewhat under that, but not much. In Australia, on that same day, there were only 748 people drawing unemployment insurance. What is more, there were 100,000 jobs open. Therefore, in Australia immigration has not meant unemployment.

What are the prospects for the future? Well, all I can gather from what I read in the newspapers—the minister may have more information than I have—seems to indicate that in the future, for this year and ensuing years, Canadian immigration will dwindle even more. British settlers are finding it ever more difficult to come to this country because of exchange regulations. The international refugee organization is ending this year. That organization brought a lot of citizens to Canada. Thus, unless we have more government interest, unless we have more government intervention in this department, the chances are that Canada will have fewer settlers annually in the future than she has had this past year.

I have four or five suggestions that I should like to make respectfully to the minister. Perhaps he will not adopt them, but at least he will listen, I am sure. I urge the Department of Citizenship and Immigration to take

a minimum objective of 200,000 immigrants a year. That is the objective Australia took, and that country has less resources than we have and a smaller population. Therefore I say that that figure should not be too high.

Second, I would suggest that the department immediately launch a specific campaign in Great Britain and in France to bring immigrants over to this country, if necessary by state aid or state loans, or something of that kind. Even if we have to subsidize their passages, I think the need for citizens is sufficiently great that it should be done.

Third, I suggest that Canada should do something to bring more displaced persons from Europe. There are still some over there with university degrees, and up to date these people have not been permitted to come. I was interested in a speech which Wing Commander Innes of the international relief organization made on the subject a short time ago. He is a government official, if my understanding is correct. He was speaking to the Toronto Rotary Club and he said this:

> A stockpile of brains is waiting in Europe for Canadian assistance.

He referred to 26,000 displaced persons—most of them university graduates—who are still on that continent. One of the weaknesses of our Canadian immigration program is that we have had, as one newspaper reporter described it, a kind of "ban on brains". That seems a strange policy to me. I should like to see the minister let some of these white-collar workers, some of these educated people in the displaced persons camp, come in. I should like to see the regulation widened in that respect.

Finally, Mr. Chairman, I would ask the minister if he would not widen the age limits, widen the categories more or less on a general basis. If he did that I think we would have more immigrants in this country. Probably the most neglected field in national affairs today is this department of immigration. Or perhaps I should say it was the most neglected field before the present minister took over. I am hoping he will change it. I know of nothing that would stave off a possible recession, or that would keep conditions relatively prosperous in Canada, better than an expanding home market caused by more immigrants into this country. I recall that periods of greatest prosperity in the United States coincided with periods of greatest immigration.

This afternoon the minister said he thought he had public support for a greater immigration program. I too think he has, and I challenge him to throw off some of the lethargy and some of the apathy which in my very biased opinion have characterized his department within the last three or four years. We have got to plan our immigration policy. It has to be planned in accordance with our absorptive capacity. We have to keep in mind employment possibilities. I admit that at once, but I repeat that 200,000 immigrants a year should be our minimum objective.

Mr. Shaw: Mr. Chairman, my colleagues and I appreciate this opportunity of expressing, although briefly, our attitude towards this extremely important question of immigration. It is not the first time that we have placed upon the record our views, and it will probably not be the last time. You will recall that in 1947, speaking for my colleagues, I laid particular emphasis upon the fact that what we do require in Canada is a specific and long-range program of selective immigration. We regard that as extremely essential for the welfare of our nation.

Upon that occasion I laid particular emphasis also upon the fact that our immigrants should certainly be carefully screened for the purpose, Mr. Chairman, of admitting only those who are able to meet the high physical, mental and moral standards which we set, and are willing and ready to accept the full responsibilities of Canadian citizenship and our Canadian way of life.

I should like to endorse the observations made by the hon. member for Lake Centre. I thought that his reference to those who constitute our population, whose ancestors originally came from other parts of the world, was made in a most striking way. We can witness in our own communities, in our own provinces, in fact in our whole Canada from shore to shore the grand contribution which has been made to Canada and to our Canadian way of life by those thousands, and even millions who have come from elsewhere to accept Canadian citizenship and to make their homes with us.

In his brief, on page 2, the minister read a statement which was made by the former prime minister in May of 1947 when he said:

> The policy of the government is to foster the growth of the population of Canada by the encouragement of immigration. The government will seek by legislation, regulation and vigorous administration to ensure the careful selection and permanent settlement of such numbers of immigrants as can advantageously be absorbed in the national economy.

The former prime minister also made another assertion upon that occasion. I find that in *Hansard* of May 1, 1947, at page 2646 the former prime minister asserted:

> With regard to the selection of immigrants, much has been said about discrimination. I wish to make it quite clear that Canada is perfectly within her rights in selecting the persons whom we regard as desirable future citizens. It is not a "fundamental human right" of any alien to enter Canada. It is a privilege.

I believe that that should have been included in the statement which is incorporated in the brief.

In the first part of his statement the minister asserted that the aim of the citizenship branch is to bring about full understanding and acceptance by such persons, and by the Indian population as well, of the benefits and responsibilities of Canadian citizenship. I believe that is a most desirable objective, but I am struck by the laxity of our efforts up to the present time. Certainly if I were to make only one recommendation it would be that we concentrate on the carrying out of the objective thus enunciated by the minister.

The hon. member for Moose Jaw touched upon a subject to which I have had occasion to refer in the house many times. Early in his observations this afternoon the minister stated that applications for admission of groups of skilled and unskilled workers have been made by industries and screened by an interdepartmental committee consisting of representatives of the immigration branch and the departments of labour, external affairs and national health and welfare. He pointed out that under the group movement plan approval has been given to the admission of refugees for employment as miners, railway workers, hydro construction workers, domestics, clothing industry workers and the like.

I refer to the minister's observations in this connection because it seems to me that ever since the war our policy has been to bring to the country only those who may be categorized as labourers. The hon. member for Moose Jaw was perfectly right when he said that we seemed fearful of that group of 26,000. They may be categorized as a professional group. Sometimes I wonder what pressures are brought to bear upon the government from within Canada, and from certain organizations, to prevent professional groups entering this country as immigrants.

I am not saying some have not entered. Certainly some have come here as labourers; and it is conceivable that at some later date they may have the opportunity to engage in their particular professions. But certainly there seems to be on many occasions a closed door against that group of persons, and we frequently read newspaper comment on the subject. This matter should be kept squarely in front of the government.

Later in his statement the minister, in referring to IRO, stated that this organization had estimated that on June 30 next there would be approximately 405,600 coming within its mandate in camps in Europe. Of these, he stated, 216,000 are considered to be suitable for resettlement somewhere. He pointed out that at the present time Canada is accepting domestics and farm workers from these camps.

I hope the minister, before the conclusion of this discussion, will tell the committee why the immigrants have been limited to those two categories again, namely domestics and farm workers. While I am dealing with IRO I would remind the minister of a matter I brought before the house last fall and which I intend to pursue at greater length during the consideration of these estimates. At that time I asked why it is that some immigrants coming to Canada, sponsored by relatives, find that those relatives have to pay the full cost of transportation, while in other cases with which I have been familiar transportation costs have been paid. I realize that last fall I was given an answer, after a fashion; but the answer did not suit me any too well, and on this occasion I shall press for further information.

In his statement the minister referred to those who are brought to Canada as farmers, and pointed out that it is probably better that they should acquire certain experience on Canadian farms before launching out on their own responsibility. He made reference to the guidance or assistance which may be and probably is given these persons who come here as farmers.

I would be the first to agree that it is far better for a farmer from continental Europe to work on a farm in this country for a while before launching out on his own. However, I am not completely satisfied with many of the conditions under which those immigrants have been obliged to work on Canadian farms. I know of many instances, some of which have been brought to the attention of the officials, where contracts have been broken by farmers. Those contracts were not broken by the immigrants themselves, but the result was that they were forced out on the road and given no assistance whatsoever in their endeavour to acquire holdings for themselves. That is a matter which should be given some consideration.

The minister said that 183,000 immigrants had settled in Ontario. I would ask for a breakdown for all the provinces and, in doing so, I am going to express a conviction which I hold in common with my colleagues. Immigration of non-British subjects is a matter which falls squarely under federal jurisdiction. However, once these immigrants come to Canada they are permitted to settle anywhere they like in Canada. It is conceivable that a large number of them may decide to remain within the boundaries of one province. Owing to certain conditions which may

develop within the country as a consequence, in part, of national government policy, we may run into a period of recession.

In those circumstances, what occurs? If those persons are unable to provide for themselves, under the law they become the responsibility of the municipalities and provinces. I say the federal government should accept responsibility for their welfare until such time as they acquire Canadian citizenship. Possibly if that were done the federal government would give more consideration to assuring the maintenance of an economy which would not result in those persons becoming a burden upon the country.

There are only three or four other matters I should like to mention. The first of these concerns German nationals. I realize that conceivably it is a touchy question, especially at the moment. I will agree with the hon. member for Moose Jaw when he says that many of the finest citizens we have ever had in this country have been persons of German ancestry. It happens that there are a good number of them in my own constituency whom I would classify as among the best farmers in that area.

I am not too happy, not so much with respect to the regulations applying to German nationals, but more to the slowness with which so many of the applications are being handled. I have had before me a great number of such applications which have been dragging, dragging, dragging. Possibly the minister would indicate the nature of the difficulty encountered by their inspection officers on the continent, particularly in respect of these German citizens. I speak primarily at the moment of those who are sponsored by relatives residing in Canada. There are all too many instances when the department could say either yes or no. Instead they have chosen to bolster the hopes of those concerned and then, through delay in making decisions, dash those hopes to the ground.

I agree with what was said by the former prime minister when, speaking on May 1, 1947, he said:

> There will, I am sure, be general agreement with the view that the people of Canada do not wish, as a result of mass immigration, to make a fundamental alteration in the character of our population. Large-scale immigration from the Orient would change the fundamental condition of the Canadian population.

I agreed with the former prime minister when he made that assertion in 1947, but there are one or two situations which I believe should be checked. The first is the regulation respecting the entry into Canada of wives and children of Canadian citizens of Chinese origin. A number of cases in my constituency have been brought to my attention, one being a Canadian of Chinese origin who was permitted to bring his wife and some of his children into Canada, but when it came to those who happened to be over 18 years he was told, "No, the door is closed." There are cases when such children are in school or university and are dependent upon their parents, yet the door is closed. The mother and the rest of the family are told that they may come to Canada but certain children must be left at home.

I am of the opinion that this regulation should be amended to allow in children up to 21 years of age. I know it will be said that someone will then want to increase the limit to 25 years, but that is a hollow sort of argument.

Then we run into a situation with respect to Japanese. We witnessed a repatriation to Japan, some of it voluntary, of persons of Japanese origin who had become Canadian citizens. Some of these took back minor children who had been born in Canada. Those children knew no other country and yet they cannot return because they are the victims of circumstance. Many of them have since come of age and desire to return to Canada and I think favourable consideration should be given to their cases. I hasten to add that there should first be a careful check. Canada seems to have no clear-cut policy in this connection. According to my best information it is the only country to which these people cannot return. Possibly the minister will refer to this during the course of the discussion.

I do not think I need say any more except to repeat that my colleagues and I are in favour of a specific long-range selective immigration program. We believe that all immigrants should be carefully screened. This is necessary at the present stage of world events when we know that efforts will be made by certain persons of communistic, fascist or nazi leanings to get into our country. Every precaution should be taken to stop this.

We believe that these persons should give a clear-cut and definite indication of their willingness to accept the responsibility of Canadian citizenship and our way of life. The dominion government should accept responsibility for the welfare of these persons until they acquire citizenship. I do not mean by that that we should tell them when they come in that they need do nothing, that all will be provided. But if we are faced with great masses of unemployed within our country these people may be among the first to become unemployed because many of them will experience difficulty in fitting into the conditions they find in our country. I wish to commend

the minister, as others have, upon his attitude toward this whole question. It is extremely significant that he welcomes criticism and I wish he could convince his colleague, the Minister of Trade and Commerce (Mr. Howe), to adopt the same attitude.

Mr. Harkness: Mr. Speaker, the three branches of government which have been brought under this department are branches in which I have been deeply interested and I am extremely glad that they have been put under a separate department with a minister of their own. In the past they were submerged in other departments where they did not get the attention their importance deserved. I think this department holds possibilities of being perhaps the most important in the government set-up, at least as far as the future development and welfare of Canada is concerned.

Hon. members in all parts of the house have indicated their agreement on this matter. The Minister of Agriculture (Mr. Gardiner) made a statement in western Canada in which he advocated a population of 50 million and that steps should be taken immediately to reach that goal. There are indications of more or less complete agreement by all political parties that one of the most vital needs of this country is more people. There is considerable disagreement of course as to the way in which that increased population shall be secured.

I had a few reasons to give why more people are necessary, but the hon. member for Moose Jaw (Mr. Thatcher) has dealt with most of them and I shall not repeat them. One matter he did not go into is the way in which an increased population would cut down governmental administrative costs per person. The tax load would be spread and would enable a reduction in taxation to be made. I should like to add that to the various reasons the hon. member gave.

I should like to say a word or two about the necessity of more people if we are to hold this country. In the present disturbed state of the world, with the terribly overcrowded condition which exists in Asia and to a large extent in Europe, it is just not in the cards that some 14 million people should endeavour to maintain themselves indefinitely on this great half continent. At our present rate of increase it is prognosticated by the statisticians that we will have a static population of only 18 million in 1980. In order to defend this country we must have a much greater population; therefore, from the point of view of defence, this is extremely important.

On May 1, 1947, as the minister indicated in his speech, the then prime minister, Mr. King, made an announcement in regard to the Canadian immigration policy. This will be found on page 2644 of *Hansard* of May 1, 1947, from which I quote as follows:

> The policy of the government is to foster the growth of the population of Canada by the encouragement of immigration.

That was followed by a statement with regard to a short-term policy. Mr. King said that it was extremely difficult to do much in connection with immigration on any considerable scale because of the shortage of shipping, but he outlined a short-range policy. He then went on to deal with the long-range policy, and I quote from page 2645 as follows:

> Let me now speak of the government's long-term program. It is based on the conviction that Canada needs population. The government is strongly of the view that our immigration policy should be devised in a positive sense, with the definite objective, as I have already stated, of enlarging the population of the country. This it will seek to attain through the development and energetic application of productive immigration measures.

That statement was welcomed by all parties in the house, and the hope was expressed that these energetic and positive measures would be taken. Unfortunately the results have not been very encouraging, and in my opinion the reason is that the energetic application of productive immigration measures has not been put into effect. No real effort has been made to bring any considerable number of people to this country. In that connection the figures given by the minister today are disappointing. From 1945 to 1949, 379,000 people are all that were brought to this country. That makes an average of 75,800 per year. It includes the wives and children of Canadian ex-servicemen who were married in England, and who constitute a considerable percentage of that 379,000. It is an extremely disappointing number.

The minister stated that last year we brought in somewhere in the neighbourhood of 95,000. The immigration record of Australia was referred to by the hon. member for Moose Jaw. I must say he was somewhat out in the figures he gave. I have here a press release issued by the Commonwealth of Australia on the 27th March, 1950. It shows that in 1949 Australia took in 168,000 people, and in that same year there were no permanent departures from the country. In other words, that was all net gain. In our case, although we took in only 95,000 people, there were—I do not remember now what the figures are—a considerable number of people who left the country. Therefore the 95,000 is not net gain. We have got to cut the figure down considerably. A country between one-third and one-half the size of Canada took in and retained more than twice as many people as we did. Surely that in itself

is a stricture on the immigration policy pursued by the government during the past two or three years.

The Commonwealth of Australia has a definite policy and objective at which they are aiming. This same press release states:

> The Australian minister of immigration, Mr. Harold Holt, plans to receive 200,000 migrants per year for the next five years, at least half of which will come from the United Kingdom.

On the basis of what the Australian government did last year I think they will reach the figure of 200,000. It appears to me that, owing to reasons which have been mentioned before, currency difficulties and the gradual disappearance of desirable types of people in the d.p. camps and so forth, unless a change is made Canada will probably not do as well as we did last year. We will have considerably fewer than the 95,000 we brought in last year unless a change is made. It is certainly time that, as indicated in Mr. King's speech in 1947, something really positive and energetic was put into effect. It is time for action.

So far as immigration is concerned, the situation in Canada seems to be that practically all groups and organizations of people in the country give lip service to the idea of immigration. They say: Yes, we need people; it is a good thing, and so forth. Nevertheless when it comes to the practical business of bringing people into the country there is in actual fact active opposition on the part of many groups and individuals to the bringing in of immigrants on any reasonable scale whatever. You constantly meet two statements. One is that we must not bring any immigrants to this country unless we have jobs for them to come to. The second is that we must not bring them here unless there is housing for them. So long as that attitude prevails, so long as the idea is followed that we should not bring immigrants here unless we have jobs and houses waiting for them, it is my opinion that we will never have immigration to amount to anything.

I think the fallacy of these ideas is best demonstrated by the experience of the United States during the past century. In that country they had a tremendous flood of immigration particularly from the time of the civil war on, and people came in for many years at the rate of over a million a year. They did not come to jobs waiting for them; they did not come to houses waiting for them. They made jobs, they built houses, and in doing so created more and more employment for the people who were already there. In my opinion the same thing would happen in Canada if we would open the doors sufficiently wide to let people come in from Europe. In that regard I should like to put on the record part of an article by Sir Norman Angell which appeared in the London *Observer* not long ago. It reads as follows:

> One feature of the American experience vitally concerns the future of the British commonwealth. If we profit by its very plain lesson, the commonwealth may become, within the space of one lifetime, as great and as wealthy as is the United States today. But not if the lesson is rejected.
>
> The year this writer was born (1874) the United States had a smaller population than Britain has today; and less than half the present combined population of Britain and the overseas dominions of Canada, Australia, New Zealand, South Africa.
>
> At Lincoln's death the population of the United States, confederate and union states, negroes and whites combined, numbered little more than 30 million. It was a 30 million, moreover, inhabiting a country devastated by a murderous war, much of its best blood drained away in the enormous casualties, facing a bitter racial conflict still unresolved, and possessing (please note) a badly depreciated paper currency.

In other words, there was all the evidence at that time of what we would call a major depression and extremely bad conditions. The article continues:

> Yet thousands born into that situation were to live to see the 30-million nation become one of nearly 150 million, enjoying the highest standard of life for the common man anywhere in the world or at any period of history; and able, over and above that, out of its surplus, to furnish aid to half the world in its need.
>
> While it is true that the factor of free immigration could not of itself, without political sagacity, have achieved for the United States today's result, it is also true that without free immigration no political wisdom would have sufficed. Consider the figures. In a little over the fifty years following the civil war the country admitted over 33 million immigrants; that is to say, a number in excess of the country's whole population at the beginning of that period. There were years—several—in which more than one million immigrants were admitted in the twelve months.
>
> The world of the 19th century has also had its displaced persons problems . . .

I should like to continue reading a little further on in the article:

> This immigration on a scale which in our day of quotas, restrictions, controls, planning, would be regarded as disastrous and impossible, did not disrupt the receiving country's economy; it greatly benefited thereby, since this alone made possible a rapid development of its natural resources.
>
> It did not lower the American standard of life, which rose steadily all the time. It did not swamp the country's distinctive culture or political institutions—it was the means by which the effective defence of those became possible. That unplanned world solved, without even knowing that it was doing it, and with great benefit to itself, a problem which our planned world finds in many of its aspects all but insoluble.

That is an example, Mr. Chairman, of what happened in the United States. If the same policy were followed here, similar results could be obtained. It is because of fear of the loss of their jobs, or competition from outside sources on the part of the various groups, that prevents the adoption of a policy

of at least partially free immigration. Until we get rid of that fear, which is based on completely fallacious reasoning as shown by what happened in the country to the south of us, we are not going to make great progress in this country. We are not going to have any appreciable amount of immigration.

I wish to mention, Mr. Chairman, some practical steps which could be taken to increase the amount of immigration. The difficulties which arise from the currency restrictions now in effect throughout the world have been mentioned. About two or three years ago the member for Calgary West (Mr. Smith) and I were approached by some persons representing farmers of substantial means in the United Kingdom who wished to come to this country and bring out their capital in order to start farming. For the most part they were people engaged in the raising of purebred livestock of various types. They were people who could have made a great contribution to the purebred livestock industry in this country because they had the skills. We approached the then minister of immigration, as well as the minister of finance, in connection with the matter. They agreed it was desirable that these people be brought into the country. The scheme presented was that the dominion government would take over the assets of these people in the old country, and advance them funds in this country. Then as currency restrictions were removed, or as the opportunity arose, the government would dispose of these holdings in Great Britain, and thus recoup the money lent to these immigrants. There was no idea of making any gifts to these people, or anything like that. It was a matter of lending them the money, secured by assets in Great Britain. I could not see any reason why a scheme of that sort should not have been put into effect. It was a sound, practical scheme which would not have cost the dominion one cent because, in addition to the security the dominion had in the form of these assets in the old country, the government also had the land and livestock which the people purchased in this country. There was no possibility of losing, but nothing was done about it. The foreign exchange control board people said the scheme presented many difficulties, and, as I say, nothing came of it. I cite that as one example of something practical that could have been done to bring out some of the most desirable people as immigrants.

Another form which assistance to immigrants could take is that of a repayable loan to cover transportation expenses. I would be willing to admit that there might be some losses in that connection. A certain number of the people brought out might prove to be no good, become dissatisfied and return to their place of origin. Some money might be lost. I would think that the amount of money lost would be small in comparison with the benefits which would be derived from such a plan. Certainly, with currency restrictions as they are, and the various other difficulties in the way of people moving from place to place, we will not get many people out here unless the government takes some definite action along that line.

I should like to say a word or two now in connection with citizenship. The matter has been referred to in an excellent presentation by the member for Lake Centre (Mr. Diefenbaker). I agree with him that the people of this country must get rid of this hyphenated Canadianism. I think that can be done best through the schools. As was pointed out by the member for Lake Centre, the people of the United States are not spoken of as German-Americans or Norwegian-Americans; they are all Americans. There is a unity of spirit which is patriotic, and which moves them. In Canada we have not got anything like the same spirit. A large number of people still look upon their country of origin with more affection than they regard Canada, the country to which they now belong.

I believe that one of the reasons for the great difference in this connection is that we have made no conscious effort to teach Canadianism to our school children. When I first went to school, it so happened that my family was in Denver, Colorado, for about nine months. I well remember that every day when we came into class the first thing we had to do was to salute the flag, which was up on the wall in front of us, and recite some sort of patriotic poem. Except for the recitation of the poem, this procedure was repeated every time we went into class; when we came in after recess; when we came in at noon; when we went out for afternoon recess; and when we left at four o'clock. The ceremony of saluting the flag impressed upon those small children the fact that they were Americans. It went on day after day. In addition to that, I remember there were a good many stories about the origin of the union, about the state of California and things of that sort. A strong and definite effort was made to teach Americanism to these children. My information is that the process continues right through public and high school. I think that is one of the main reasons why the people south of the border have succeeded in building up a spirit of nationhood and a spirit of unity amongst themselves so much better than we have. I believe we must follow their example if we are to accomplish the same results.

I should like to say a few words about Indian affairs, Mr. Chairman. I shall have something more to say on this subject when we come to the particular votes concerning that department. Some time before Easter, the minister stated that the revised Indian Act would be introduced after the Easter recess. I took it that he meant immediately after Easter. I wish to ask a question, which the minister can answer when he speaks. Can any indication be given as to when this act will be introduced? I would point out that the session has been under way for some considerable time, and the amount of time left for consideration of this act will be none too long. The sooner it is introduced, the better. The Indian Act has not had a proper revision for over fifty years, so the amendments to it will be extensive. Under those circumstances, it should not be rushed through in a short time. We should be prepared to give the matter full consideration. For that reason, in my opinion, the act should be introduced at the earliest moment. Apart from anything else, the Indians of this country, who are the people most concerned, are very much interested in knowing what those amendments are, so they can make representations in connection with them. I think that they should be given the right to make those representations.

The second question I would like to ask the minister is what provision, if any, has been made for securing the ideas or opinions of the Indians on the changes which are incorporated in the revised act. I presume a considerable number of the changes will be ones which were recommended by the joint committee which met from 1946 to 1948 inclusive, and which heard the evidence of large numbers of Indians. Therefore the changes should, and I hope will, reflect the wishes of the Indians and their ideas in these matters as expressed before that committee. In addition to that, however, I would expect there might be other changes on which the opinion of the Indians has not been expressed. I therefore think an opportunity should be given when this bill is sent to a committee, or at some other stage, for taking advice, shall we say, from the representatives of our Indian population with regard to their wishes in the matter of the revision of the act.

Mr. McIvor: I have a question to ask the minister, but first I should like to express appreciation of the splendid statement he has made, thus showing the grip he has of the task that was committed to him. I would also state that I have been the cause of perhaps considerable extra work for the officials of the Department of Citizenship and Immigration; and I want to thank the officials for the prompt replies and for the happiness that they have helped to bring to new citizens of Canada.

My question is from a group of farmers who had working for them during the war German citizens who were interned in Canada. These men did a good job. They were also happy and began to enter into the spirit of the community. I was just wondering whether any consideration will be given to making it possible for these men to come back and make Canada their home.

Another thing we find is that some people object to the d.p.'s in Canada. I traced two of them. One young man objected to d.p.'s coming because they took his work. I said to him, "There is a place I know of where fifty men can be employed and they cannot get d.p.'s. Are you willing to go there?" "Oh," he says, "I don't want to go out of the city." In another place I was addressing a meeting when one young man came up and in spicy language blamed the dominion government for taking his job and giving it to a d.p. My Irish, of course, got the better of me and I said, "You are just the man we are looking for. What we want now is your name and address, and the job that you lost." He tried to sidetrack me but a young man sitting beside him said, "Are you ashamed of your name?" I insisted that he give us his name and address, but he did not do so and he made himself scarce for the rest of the meeting.

I know a number of these d.p.'s who have come out. They have lived up to their obligations; they are not now a care of the state for work, but have made work for themselves and are helping others. I just want to express my appreciation of the way in which the young minister is taking hold of his job, and to wish him the best kind of success.

Mr. Coldwell: I should like to join with the others who have congratulated the minister upon his appointment to this important portfolio and to say that we are expecting great things of him. This afternoon we have heard a series of interesting speeches on immigration and on citizenship. I think that the matter has been approached this afternoon in a manner which reflects great credit upon the committee and upon members of all parties in the committee. I was particularly interested in the speech made by the hon. member for Lake Centre. I found myself very much in agreement with him. Like the hon. member, I look back now over a period of over forty years in western Canada.

Mr. McIvor: You are still a boy.

Mr. Coldwell: I saw many of these European immigrants come into the country and I wondered, like many others, what effect they would ultimately have on the social life and the economy of our country. I taught some of their children. As I move around the country today I find, occupying honoured and respected places in the community, men and women I knew as immigrants who looked rather depressed when they came here, wearing the costumes of the country from which they came, and finding difficulty with the language of the country to which they came. Today these men and women, the boys and girls of yesterday, are making a real contribution to the welfare and to the citizenship of this country.

I shall never forget the occasion when I, with two of my colleagues, the hon. member for Melfort and the hon. member for Cape Breton South, in October, 1944, shortly after France and Belgium had been liberated, had the opportunity of visiting Dieppe. As I said once before in this house after I returned from that trip, we visited the cemetery and walked among the rows of crosses, largely of course looking for members of the South Saskatchewan regiment which had been badly cut up in the raid. I could not help noticing the number of names, as the hon. member for Lake Centre has pointed out this afternoon, that were obviously neither French nor Anglo-Saxon. Lying side by side were boys with French-Canadian names, English names, Scotch names, Irish names, Welsh names but also with names representing racial origins from almost every country in central Europe. To one who saw that, it was an object lesson of what had happened in our country.

I am inclined to disagree a little with the hon. member for Calgary East when he says that perhaps we have not done enough in our schools. I do not think that the saluting of the flag or the reciting of some patriotic poem has much real effect. I think that the far greater effect is produced by the example of the teacher, the atmosphere of the school and, most of all, the inculcation of the love of our history and of our literature. That the schools have largely done.

The hon. member for Lake Centre spoke of organizing a freedom train something like that which was sent across the United States. I do not know just how feasible that is in such a scattered country as ours; but I think there is another agency that we could use to perhaps even greater advantage, and that is the national film board. Last week I was preparing a talk, to be given at a local church last Sunday evening, on the beginnings of some of our freedoms. I had in mind particularly a discussion of the manner in which we had developed, and our personal liberty had been protected by, the common jury. During the preceding week, I saw a number of films. I wanted to use one. I could not find any Canadian film that was suitable to give any indication of the manner in which our freedoms had grown up in this country. I chose a British film. I am not complaining because the film board has not done this yet. I am simply suggesting that perhaps by means of visual education, both among our adult population and in our schools, we can give newcomers to this country a better understanding of our institutions, and the manner in which the freedoms we enjoy have come down to us through the ages.

Of course, I have a rather strong sense of history, and I put a great deal of faith in the fact that an understanding of our history gives us an understanding of our institutions of today, and helps us to understand the path that we may have to tread tomorrow. I am suggesting to the minister that he might get in touch with the film board and see if one, two or three films, outlining the manner in which the freedoms that the newcomers to this country will enjoy, have been obtained and developed for us, and how we have achieved perhaps the nationhood that we now enjoy. I think that would be a splendid thing, particularly for the newcomers to the country, and for use in our schools. Take this institution of parliament, with its long history, with the customs that are behind it. I saw a film of the opening of parliament. It was very impressive, but the symbolism of this institution is something which lies deeply embedded in the history of our two peoples, both English and French, because France is sometimes said to be the mother of democracy, just as Britain is sometimes said to be the father of the institutions of democracy. Therefore I am making the suggestion to the minister.

I agree with the hon. members who suggested the other day that we should have a distinctive flag. I think we should try to get our people to understand what symbolism is in a distinctive flag, and perhaps in a distinctive national song as well. The country may not be ripe for these things, but at least as our people understand our Canadianism and our institutions they will become ripe for them, and I think it does not mean in any way that we break with symbols and institutions of the past. Rather

I think we build upon those institutions a citizenship and a nationhood which will have many distinctive characteristics and which will appeal to our people both now and in the future.

Mr. Smith (Calgary West): The minister is a flag expert.

Mr. Coldwell: He was the chairman of the committee, but the committee did not quite achieve results, and yet perhaps it did achieve the result of awakening public interest in the problem of a national symbol of that description.

I want to say a word in appreciation of the officials of his department for what they have done in the way of immigration. Perhaps it is true that, as the hon. member for Moose Jaw said, we have not had as many immigrants as we might have had; but I have been deeply appreciative of the manner in which the officials, both of the department of immigration and of the Department of Labour, have co-operated in bringing into this country persons who had suffered for the democratic cause, and who have been resettled here, and who I believe in days to come will make a contribution that will be worth-while in the building of this new nation.

I agree too with the idea so well expressed by the hon. member for Moose Jaw, that we should take more of the more highly educated types who are trying to find a chance to live elsewhere. We have been picking and choosing of course those who are at all capable of performing heavy manual labour. I think we could also absorb many more of those who can contribute to the fields of medicine, of dentistry, of teaching in our institutions of learning, of improving the cultural life of this nation by way of music, art and so on. There are quite a number of these people who would like to come to Canada if we could settle them satisfactorily; but that would need the co-operation of many institutions in this country, and I think that co-operation should be sought by the minister.

I am going to say one other thing before I sit down. Anyone who has been in Europe since the war, and in Germany where there are displaced persons, anyone who has visited the displaced persons camps, as I have had the privilege of doing, will know that there are people who are something of a residue and a hard core, people who perhaps were maimed in some of the raids over the countries at war, people who had fled from oppression, sympathized with our aims and with our ideals, and yet when our planes bombed the cities where they were located they were maimed or partially incapacitated in some way. There are others who, for reasons perhaps of some physical defect, or not being altogether sound in health, are doomed to remain in the countries where they sought refuge during the war. I think that these countries—our own, the United States, Argentina, Brazil, Chile, South Africa, Australia and so on, Christian countries—have a Christian duty to perform. I think that these nations should get together and see what percentage of this residue can be taken care of in our countries. We have picked the best. Now we have this hard core. I think Christian principles demand that we should succor those who have suffered, are not quite up to par and cannot reach our standards of fitness.

I am not suggesting that Canada should do this alone. I know that we cannot. I do think that an attempt should be made through the international refugee organization, and when the United Nations is discussing immigration, citizenship and so on, to see whether some understanding cannot be reached among the nations that are in a position to do something to help those very unfortunate people. I want to leave that with the minister as my final thought. I know him well enough to know that he will consider a question of this description. I hope that in co-operation with other nations situated similarly to our own a humanitarian solution to this problem of the hard core of displaced humanity left in the European camps may be found.

Mr. Drew: Mr. Chairman, in considering the statement that the minister has made this afternoon, it would not be appropriate to deal with it as though he were called upon to accept responsibility for the present situation, because he has assumed office fairly recently in a department that has been newly set up. Although the department has been newly set up, it carries forward activities that have been going on for some time. With the general statement as to the purposes of the department the minister now administers, I am sure there is general agreement. But it is well to examine what he states to be the purpose of the immigration branch. In describing the policy of that branch he quotes a statement made in 1947 by the then prime minister, who said:

> The policy of the government is to foster the growth of the population of Canada by the encouragement of immigration.

I would have been more encouraged if the minister had said that he has now taken over this department, that he has found the situation is not satisfactory, and had given some indication of the changes he was going to make.

The fact of the matter is that the immigration branch is not encouraging immigration. If he has a policy, then let that policy be carried out. If there is any other policy, then let that policy be known. From the remarks made here this afternoon hon. members seem generally to be agreed that no question arises as to the desirability of welcoming to Canada those who will become worthy citizens of this country. A number of extremely useful and encouraging suggestions have been made as to the way they should be received here.

As has been pointed out, on their arrival every effort should be made to instil in them affection and respect for, and a very real appreciation of, the privileges this country offers them. They should be educated in a way that is particularly necessary to those coming from countries with institutions different from our own. They should be informed as to the procedure by which we govern ourselves through those great institutions in every part of our country which we respect; and should be informed generally in respect of those things that may be described as basic to our way of life.

I should like to add some further comments to what has already been said about the way in which we should regard a new citizen upon his arrival here. I imagine there is no one in the chamber today who would not agree that we are very happy that immigrants were welcomed to this country some years ago. Had that not been so, we would not be here. For that reason all of us should be particularly sympathetic to the desire of those of every nationality and of good intentions who, by their own choice, wish to make Canada their home.

It is then for us to determine whether we are or are not going to facilitate the entry into this country of those who pass whatever tests may be imposed, and to give to them a clear indication, first of all in the place where they now live, and secondly here in Canada, that we want them, and that we will welcome them when they come here.

At the present time immigration is taking different forms. Under certain international arrangements we are accepting a number of displaced persons. We are accepting under other arrangements people from different lands. Then there are those who, when they come here, must pay their own way and, in addition to paying their own way, have certain evidence of their ability to support themselves financially upon arrival. This last group is the one to which a great part of the work of the immigration branch necessarily applies.

So that we may understand exactly what is happening, may I indicate something of the problem being faced today by those in the British isles who wish to come to Canada. I have seen statements made that the reason a diminishing number of people are coming here from the British isles is that there is not the same reason as there might have been earlier for them to wish to leave Great Britain. This relates neither to the rate of exchange nor to the number of other explanations which have been given.

There is plenty of evidence of the interest of people in the British isles in coming to Canada, if they can do so. But many people in Canada have no idea of the problem with which someone living in the British isles is confronted if he tries to arrange passage to Canada. The Immigration Act lays down certain conditions. A person wishing to come to Canada must find out what those conditions are, and he must ascertain how he can arrange to come to Canada.

He will find that, first of all, he must have a chest examination. There are only three places in Britain, namely London, Liverpool and Glasgow, where free medical examination is provided. In all other cases the prospective immigrant must obtain at his own expense, first of all, a chest X-ray film, and then a radiologist's report upon himself and his family, if he has a family. This is likely to cost anywhere from 10s.6d. to £3.3s. in each particular case. This will of course necessitate his finding a place where this can be done.

Under the present system, by which he must find a doctor on the roster who will deal with this subject, it may involve considerable travel; but he is put to that expense if he is to be able to comply with this regulation. If he is able to meet those requirements he is then called upon to obtain a passport which involves the obtaining of photographs. He will have to do some travelling, not only to get the various medical examinations but to visit the offices where he can get these things done.

It is difficult to give an exact figure of the actual cost in a particular case because it will vary depending upon the distances an applicant and his family may be from the place where he must go to get these things done. Assuming that an applicant with a wife and three children wishes to come to Canada, it is likely that before he is done he will have paid some £18 for the various tests that must be made. He must get passport photographs and will probably have to do some travelling which will cost around £4. That means that that man with a wife and three children is going to have to pay well over £20 in order to find out whether he is going to be allowed to come here.

Then he is confronted with the problem of getting here. As these matters are covered by regulation it is possible the minister will inform me that there have been some recent changes which will affect the points I have raised. Early this year, in view of the difficulty of obtaining transportation, arrangements were made for additional shipping accommodation. The Cunard company arranged for the *Georgic* to make two trips monthly from May to October from Liverpool to Halifax, charging a fare of £60. I understand that that fare is in line with other fares charged for accommodation on similar ships and having limited accommodation being offered for perhaps £53 or £54.

This is a fairly heavy obligation to be faced by those who are seeking to come here and have some financial backing when they arrive. Let us put ourselves in the position of a man who has decided that he wants to come to Canada and bring his family. Perhaps he has never been to London or Liverpool or Glasgow. He has to make extensive inquiries as to what he must do. If he goes to London, perhaps for the first time, he must go to one place for his medical examination, he must go to another to get his passport photographs, he must go to a government office to get his passport, he must make his own arrangements with the steamship company for transportation, and he must find his way to the immigration offices to make the various arrangements and go through such further tests as they may require.

That is enough to discourage the ordinary person right at the outset. In addition to the fact that it presents a good deal of difficulty in the way of knowing what is to be done, the further necessity of going to these various places and having all these things done at different times and at widely separated points may necessitate the expense of staying overnight at a hotel and it builds up charges that the ordinary person wishing to come here perhaps cannot face.

The reason I outline this situation is that I am convinced that if we really mean what has been said, if the policy of the government is the policy that has been stated, to encourage immigration, then one of the first steps that should be taken is to simplify the immigration procedure at the other end. Whether it be in Great Britain or any other country, there is absolutely no practical reason why this cannot be done in a simple businesslike way that recognizes the difficulty these people encounter and the very human problems they face. There is no reason why all these things cannot be done in the one office, because they have been done and at great saving, both in the handling of the applications and to those who are making the applications.

There is no reason whatever why a prospective immigrant should not have declared to him, through the press of the country where he wishes to make application, the address of principal and conveniently located offices where every single detail from the first X-ray examination right through to the arrangements for transportation can be completed by those attached to the department of immigration who are trained to carry out this work efficiently.

The applicant could be X-rayed. Passing that test he could then go on to have his medical examination. Having passed that examination he could then comply with the various other requirements. He could have his photograph taken, he could make arrangements for a passport right there and the ordinary procedure could be carried out with the appropriate officials of the British government. The British government has indicated its willingness to co-operate to the extent of extending these facilities to any offices of that kind that are established.

Moreover, all the details of our money arrangements can be made known, what the value of our money is and so on. Right in that office the local currency could be exchanged for our currency and the necessary credit given without the applicant leaving the office. Arrangements for transportation could be settled and the applicant permitted to return to his home to wait for notification from the appropriate branch of the department of immigration that he should be ready to sail on a particular date.

That will encourage immigration of the kind of people that we want, of people who like to see things done in an efficient way and who are actually impressed by evidence that this whole project is on a businesslike basis and that they may expect businesslike dealing with their problem when they arrive at the other end. When they do arrive at this end there should be a closely integrated arrangement between the dominion agencies and the provincial authorities in each province so that the provincial authorities may be informed of the arrival of people with some indication of the type of qualifications they possess.

In addition to the ordinary facilities of the dominion government agencies an opportunity should be provided to channel these people to any special opportunities for work that may exist in any particular province. There is a psychological effect upon the new arrival in the fact that from beginning to end he has received an impression of efficiency, of

encouragement, that the people with whom he is dealing are people who work in a businesslike way, and that when he does get here he will find similar businesslike methods at the other end.

Every remark I have made applies with equal force to every country from which new citizens might be welcomed to Canada. As to the suggestion made from time to time that we gain no special advantage from immigration other than the arrival of additional numbers in our population, may I point out that it is doubtful if over the centuries there has been a time when so many people of special qualifications have been torn loose from their own domestic moorings, and are not only anxious to seek new fields of opportunity but will carry to the country to which they go special skills which will create employment for other people as well as for themselves. I could name scores of industries, large and small, in Canada today that have been established by people from different countries who, through the dislocation of war and its impact upon their domestic life, have opened up in this country new opportunities for hundreds, for thousands, of other Canadians in entirely new fields of human endeavour.

I can think of certain new packing processes in western Canada with which the Minister of Agriculture is well acquainted, and which have found their way here through these very circumstances. I can think of highly skilled plastic industries that have been created simply as a result of highly trained men and women being under the necessity of leaving their homes and coming here. In addition to those who have created new industrial opportunities of one kind or another, many of us have seen the new agricultural skills brought to this country by highly skilled agriculturists, not only of Great Britain, France and Italy but of almost every European country, which in many cases have demonstrated to us better ways of making use of our soil for the production of particular crops. All that has meant new wealth and new employment for Canadians as well as advantage to the people who have come here.

Among the arrivals in the past few years have been highly trained engineers and draftsmen who are in the great electrical plants from the Atlantic to the Pacific, and who are contributing immensely today to the building of these new sources of power from one side of the country to the other. Among those who have come here are scientists who have been expanding new opportunities in old industries and in old types of production. Among those who have come here are some of the greatest research doctors in the world. In the universities across our country today are men of high medical skill who have simply become available as prospective Canadian citizens through the tragic circumstances of the past few years.

So it is also in the field of art. We have in Canada musicians who are adding to the rich culture of our life and who came here only because of the dislocation which has urged so many people to move, and urges so many others to move today. Among those who have come are educationalists, writers, people who will give pleasure as well as advantage to every part of Canada. Yes, and there are workers as well in every field of activity who are doing their share. They are all workers no matter what their occupation may be. Every new citizen means new production and new wealth.

If the policy as stated by the government is to be carried out, I strongly urge that the procedure in every country where we are accepting applications be simplified. That will be no more costly, and in fact will be much less costly, both for the government and for prospective citizens of Canada. I do not offer this by way of criticism in detail because the minister has just taken over his office, but simply as a suggestion which I hope he will accept for consideration in the new task he has undertaken. As has been said here earlier today, when people choose Canada as their home we want them to think of themselves as Canadians. Once they have made a choice and accepted this country as their home, then let all of us keep impressing constantly upon the minds of our people that there are no foreigners in Canada, that we are all Canadians. In our approach to this whole problem, from the very day that the intending immigrant to Canada makes his first approach to the department of education to the time that he or she or their families arrive here, I urge that there be that simplification, that efficiency, that generous approach which makes them believe that they are being welcomed as new citizens of a great country who will be heartily accepted as equal partners in our Canadian social structure. Therefore, Mr. Chairman, I urge at this point that we ask for a clear definition of policy and, whatever the policy is, that businesslike methods be applied to its implementation.

Item stands.

At six o'clock the Speaker resumed the chair and the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

UNITED GRAIN GROWERS LIMITED

Mr. W. G. Weir (Portage-Neepawa) moved the second reading of Bill No. 84, respecting United Grain Growers Limited.

Some hon. Members: Explain.

Mr. Weir: Mr. Speaker, this bill from the Senate seeks to secure certain amendments to the charter of the United Grain Growers Limited of Winnipeg and Calgary. As a background to this measure, I should like to say that the company was first incorporated in 1906 under the Manitoba Joint Stock Companies Act. It was then known by the name of Manitoba Grain Growers Grain Company. In 1909 its original incorporation was replaced by a private act of the province of Manitoba. As its business developed along interprovincial lines it sought, and secured in 1911, a special dominion act of incorporation, which act was amended in 1918 to allow the company to distribute part of its earnings as patronage dividends.

In 1917 the company was merged with a similarly organized farmers' company in Alberta, known as the Alberta Farmers Co-operative Company, and the original act of incorporation changed the name of the amalgamated company to that of the United Grain Growers Limited. Other additional changes secured at that time provided that shareholders were to be grouped into locals for the purpose of appointing delegates to annual meetings, and proxy voting was disallowed. The original authorized capital of the company was $250,000. This was increased by the amendment of 1909 to $1 million, and upon federal incorporation in 1911 the capital authorized was further increased to $2 million, in $25 shares, limited in their sale to bona fide farmers, farmers' wives, renters of land, and with a limitation of 200 shares to any one person. A further increase in capital to $5 million was authorized at the time of the amalgamation with the Alberta company in 1917. The shares of the new company were exchanged for shares of the Alberta Farmers' Co-operative Company, and by 1930 the paid up capital stood at approximately $3,400,000.

In 1930 the company experienced some difficulty in replacing the shares of its members who had retired or passed away. It was their desire to keep their shareholder membership current and active. To meet this rather unusual situation the company, through a bylaw subsequently approved at an annual meeting, secured authority to divide its shares into two classes. This authority allowed the company to issue 200,000 class "A" non-voting shares at a par value of $20, and 200,000 of class "B" membership shares at a par value of $5. These class "B" shares carried voting privileges of the delegates to the shareholders' annual meeting, but were not guaranteed as to dividends. Class "A" shares have a preference as to dividends to the extent of five per cent over any other payments or dividends that the company may make.

The total paid up capital of the company has remained at approximately $3,400,000 from 1930 to 1948. The company, however, has recently acquired a further line of 110 elevators in western Canada, and wishes to sell additional class "A" shares. There are at present 186,825 non-voting shares with a par value of $3,736,500, and 54,213 class "B" voting shares having a par value of $271,065. Briefly, that is the picture leading up to the present situation, so far as the company is concerned.

The main purpose of the amendments now proposed is to seek authority to do certain things that experience would appear to warrant. First of all, the company is seeking authority to increase its capital stock from $5 million to $7,500,000; second, to reduce the authorized number of class "B" voting shares from 200,000 to 100,000, and to convert these shares into class "A" shares. To date approximately 54,000 of these class "B" shares have been sold, and the directors feel that 100,000 will be sufficient to allow this type of shareholder to continue to control the company, particularly when the company has authority to purchase these shares for resale but is not allowed to retain more than ten per cent outstanding at any one time.

In section 8 of the bill, the company seeks powers granted ordinarily under the dominion Companies Act, and which are now generally granted as a matter of course to all companies seeking dominion incorporation, as well as similar powers being granted by most if not all provincial governments.

In section 9 of the bill it is seeking authority to bring the provisions with respect to payments of patronage dividends more in accordance with current practices.

The fifth rather important change has to do with company procedure as set out in section 10. The company holds a delegated annual meeting of shareholders once a year, and pays the expenses of all the delegates attending this annual meeting. This is usually a large item of expense. It frequently happens that at some of the meetings the directors secure authority in advance to do certain things. The company feels that

when such authority is granted at an annual meeting, it should not be required to place the same matter before a later annual meeting for endorsation.

The other amendments are largely for the purpose of clarification of the charter. I might add that the company has been in the grain business in western Canada for about 44 years. Its financial standing is sound, there having been only four years in the 1930's when it failed to meet its five per cent annual dividend. The original act of incorporation, together with the amending acts, discloses that the company conforms to the essential features of the Rochdale form of co-operative organization. It restricts the number of shares that may be owned by any one person, and adheres to the principle one share one vote. It distributes its earnings as patronage dividends after the payment of a reasonable rate of interest, which in this case is five per cent on share capital.

I might say also that the act has already passed the Senate, where it was referred to a special committee at which representatives of the company appeared to explain what they were seeking. The company is well established, and enjoys a good reputation in the communities where it does business. I trust that these amendments which it is now seeking will be approved by the house. After the second reading, the bill will be referred to a committee of the house, where the officers of the company or their representatives will be available to give any further explanations which may be required.

Mr. A. L. Smith (Calgary West): The application just made has to do with the increase in capital of an organization which I think is the most truly co-operative organization, judged by any proper standards, that we have in connection with handling grain in western Canada. It is a company with which I have been familiar since its origin many years ago. I might add that I do not act in any way for that company, but it is a farm organization which, by co-operation among its individual members, made a great success in the marketing of grain. They have never sought from this or any other government any favours of any description. Now that its assets run, roughly, in the neighbourhood of $16 million, just in the course of its ordinary business it may require further capital for expansion. The procuring of that capital is limited to purchases of shares by farmers who are at once owners and customers of the organization. As I say, having been familiar with it, and having made a reasonably careful study of these amendments now being sought, I am anxious to add my voice to that of the hon. member for Portage-Neepawa (Mr. Weir) in the hope that the bill will have a speedy passage. May I also add that these shares have never been listed on any exchange of any kind; and, on account of the limitation in voting power, there is no opportunity given to any group, no matter how much money they may have, of getting control of this organization which is of a type that many of us living in that country thought perhaps was the answer to many of our problems.

I simply add my voice to that of the hon. member for Portage-Neepawa in hoping that this house will give this measure quick passage, relying on the opportunity that members will have to examine officers of this corporation in order to smoke out any difficulties. I am frank to confess that I have been unable to find any in the bill, after a fairly careful examination of it; and it is not the first corporation of which I have made a fairly careful examination.

Motion agreed to and bill read the second time.

Mr. Speaker: I now refer the said bill to the standing committee on miscellaneous private bills.

INDUSTRIAL RELATIONS

AMENDMENT OF CHAPTER 54, STATUTES OF 1947-48—VOLUNTARY REVOCABLE CHECK-OFF OF UNION DUES

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading of Bill No. 3, to amend the Industrial Relations and Disputes Investigation Act (voluntary revocable check-off).

He said: My remarks on moving second reading of this bill, Mr. Speaker, will be brief. The reasons for that are two in number. First of all, the subject matter of this bill is well known to all hon. members. Indeed, I believe that all political parties represented in the house have expressed themselves as being in favour of the principle involved in this bill. The other reason why I intend to be brief is that it has been suggested a number of times during this session of parliament that when an important measure like this one comes before the house it would seem to be desirable to permit the house to reach a decision on the question. I hope that any others who may feel called upon to speak will follow suit and will be similarly brief, so that second reading of this bill can be voted on tonight.

The bill has just one section and it seeks to achieve just one purpose, namely, to write the voluntary revocable check-off into the

national labour code. I may say that the wording of the new subsection 3 which it is proposed to insert in section 6 of the Industrial Relations and Disputes Investigation Act, which is chapter 54 of the Statutes of 1947-48, is precisely the same as the wording of a subsection 3 of that section which was written into the labour code when that code was before the industrial relations committee of this house in 1948. I want to make it clear that when the bill which became the labour code went to that committee in 1948 it did not have this clause in it. But it was inserted therein by the committee. The original wording was in a form proposed by the hon. member for Spadina (Mr. Croll). Later the legal advisers of the Department of Labour redrafted the wording which had been submitted by the hon. member for Spadina in the form in which it now appears in my bill. Not one jot or tittle has been changed in the form or the wording of this provision as it was passed by the industrial relations committee of this house in June of 1948.

When the bill came back into the house and was dealt with in committee of the whole house on June 17, 1948, this subclause 3 of clause 6 of the bill was deleted by a vote of the house on the motion of a private member, the hon. member for Timiskaming (Mr. Little). It was not long after that, however, until there was held in this city the convention of the Liberal party; and amongst the various planks adopted by that party was its plank No. 10 under the general heading "Recognized Place of Labour in the Community". That plank had several subplanks and included in subplank (d) was a clear-cut proposal for union security.

This, Mr. Speaker, is the minimum form of union security. All that this bill asks for is that when a trade union that has been certified under the labour code asks for the check-off, it shall be granted, and even then with certain limitations. In the main the limitations are two in number. Trade union dues can be deducted, even after a certified union asks for it, only for the employees that request it in writing. The other qualification is that even after an employee has requested the deduction of his union dues, and has done so in writing, he may by subsequent request in writing revoke the former request and thus have his dues no longer deducted. That is the meaning of the phrase in the title, "voluntary revocable check-off".

I submit, Mr. Speaker, that this is the minimum form of union security. One might ask for more, but this is the least one might ask for, especially from a party which, after the vote on June 17, 1948, in this house, held a convention at which it went on record as being in favour of union security. I have before me clippings that indicate support of the same principle by the Progressive Conservative party. I believe that the members of the Social Credit group support that principle as well. The trade union groups in this country are most anxious for it, and I feel it would be well if the house reached a decision on the matter tonight.

One of the objections that were raised the last time a bill of this nature was presented to the house—that was in the last parliament, and we are in a new parliament now, with many new members—was that the labour code had been drafted as the result of considerable consultation with the interested parties. It was suggested on a former occasion that it hardly seemed proper to make any changes in that code without going through the same process, without consulting again all those who had been consulted before the original draft had been made. Well, Mr. Speaker, in the meantime we have had the experience this year of some rather sweeping changes being made in the Unemployment Insurance Act. It used to be said to us that we should not ask for changes in that act because it was the product of consultation with all the interested parties, and it should not be changed without consulting them again. Well, those interested parties were not consulted when this government felt that these changes should be made, and I suggest that that argument has gone by the board.

Mr. Mitchell: On a point of order, Mr. Speaker, my hon. friend said that nobody had been consulted. He must know—if he does not know he should—that we have various advisers to the minister across the dominion—

Mr. Knowles: The minister can raise a point of order, but he can hardly speak on the bill at this time.

Mr. Mitchell: This is the House of Commons, and not a street corner.

Mr. Knowles: The minister is not speaking to a point of order; he is speaking in the debate.

Mr. Mitchell: I raised a point of order. We have various committees across the country in the different provinces who are advisory and we also have a national advisory committee composed of employers and employees on the unemployment insurance commission. What you get is a joint representation. Everybody does not get his own way. That is logical in a democracy. When you do get everything all your own way it is a dictatorship, of course.

Mr. Knowles: What is the point of order?

Mr. Mitchell: Wait a minute. This Unemployment Insurance Act is the by-product of consultation with representatives of those various organizations.

Mr. Knowles: Mr. Speaker, I suggest that very few members in the house will find it possible to see that that was a point of order. At any rate, we have heard the minister's argument. We had the same things said when that debate was before us. In the minister's absence it was made quite clear at that time that many of the changes being made in the act had not been referred to the interested parties. I suggest it is quite well known that—

Mr. Cote (Verdun-La Salle): Mr. Speaker, I wish to raise a point of order on that. My hon. friend says that when the amending unemployment insurance bill was introduced in this house and debated in the absence of the minister it was made clear that some of the changes had been brought down without any previous consultation. I categorically deny that, and I would ask my hon. friend to refer to the statements of the then Acting Minister of Labour (Mr. Martin) and myself on that point.

Mr. MacInnis: Mr. Speaker, I think that—

Mr. Fournier (Hull): Is that a point of order?

Mr. MacInnis: On the point of order, Mr. Speaker, I think you should make sure that the point of order raised by an hon. member is a point of order. Neither the Minister of Labour nor the parliamentary assistant raised a point of order.

Mr. Fournier (Hull): Is the hon. gentleman speaking on a point of order?

Mr. MacInnis: A point of order is raised at some stage at which an hon. member is transgressing the rules of debate. Whether he makes a wrong statement or a false statement, it is not a matter on which an hon. member can raise a point of order. You can reply to those statements later when you rise to take part in the debate; so let us have no more of these points of order that are merely arguments in the debate.

Mr. Knowles: Mr. Speaker, the fact of the matter is I had intended to be through with my remarks before this. Perhaps I had better not say any more lest I invite further interruptions. My basic contention is that what the house has before it is the exact wording of a proposal that was originally brought into parliament by a Liberal member. It was passed by the labour committee of this house in June of 1948. Its principle has since been endorsed by the Liberal convention, and it is supported by all parties in the house. It is a measure which labour is asking for, and I suggest the house should support this bill by passing the motion for second reading tonight.

Mr. J. H. Dickey (Halifax): Since I took part in the debate on a similar bill the last time it was before the house I want to say a few words with respect to the present bill on this occasion. This is a proposed amendment to the labour code, which, as a statute of the federal parliament, applies to certain national industries in this country. I believe, Mr. Speaker—and I think this is an opinion that is held by a majority in this house and in the country—that the purpose of labour legislation is to provide an atmosphere in which management and labour can live and work together in a spirit of harmony, and with as little friction as possible, in order to make the industrial life of this country healthy and active.

When this same bill, and other proposed amendments to the labour code, were brought before the house on two previous occasions I took the stand, with other members, that it was too soon after the general revision of the labour code by this parliament seriously to consider amendments which were attacking certain basic principles of the whole legislation. A further time has passed and we may be coming to the stage when it will be necessary for this house and the government to examine the working of the labour code over the whole field, and to assess just how it is working out, and whether or not any changes—be they a part or be they a principle—should be made.

However, Mr. Speaker, I think it is still too soon to attempt to amend this general code in a way which does not agree with the basic principle of that act, and in that way undermine the basic principle without continuing to give a long searching look at the basic principle and deciding whether or not we want to continue to observe that principle.

I also think, Mr. Speaker, that when changes of this kind are suggested it would be advisable for the sponsors to give the house the benefit of a fairly searching review of the situation, to point out to the house just how they think experience has shown that a change of this nature is required, and why they think the particular change they suggest would contribute to the attainment of the basic purpose of labour legislation.

The hon. member who is sponsoring this bill has said that the subject matter has been supported by all the groups in this house, and he bases that statement, so far as the Liberal party is concerned, on the undoubted and firm purpose of that party to see that labour

unions in this country achieve the proper measure of security which will make it possible for them to carry out their proper function in our economic life. I disagree with him, however, when he suggests that that necessarily means that this party is in favour of the bill he has proposed. The basic principle of the national labour code, and the principle which, as I understand it, has guided the Liberal party in its approach to labour legislation, both in the past and at the present time, is that the function of labour legislation is to provide machinery whereby employees can organize and form themselves into a union, and whereby they will be given the opportunity and the right to bargain collectively with their employers and to reach an agreement with them, and protect themselves, by provision of legislation, from unfair labour practices and other things of that nature.

That is the basic principle, the basic purpose. But it is not regarded as advisable or wise to attempt by legislation to fix for employees or employers the conditions of labour, rates of pay or other matters of that kind which are regarded as proper subjects for negotiation between the parties. It is certainly my view that, in so far as these things are questions for negotiation between the parties, the soundest and safest situation for labour is to have them remain within their power as subjects for negotiation, as they see fit.

I do not think it would be in the interests of labour at the present time to impose by legislation the principle of this bill. A similar provision exists in labour codes of the various provinces, including my own. Provincial labour legislation has not, as a general rule, observed the same basic principle that has been the underlying principle of federal legislation. The situation in respect of industries and employers coming within the purview of federal legislation is in many cases quite different from that which applies to employers who come within the purview of provincial legislation.

This I regard as a very important question. It is one that should be considered carefully and given a great deal of study. I hope the house will consider it, and that the matter will be studied. If the new members in the house express themselves as being satisfied that these basic principles should be reconsidered, and the whole question gone into with this new approach in mind, then I think we should give consideration to that.

I am not prepared however to support amendment of our labour code in bits and pieces as is suggested by this bill. I therefore propose to vote against it.

[Mr. Dickey.]

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, in rising to support this amendment—

Mr. Knowles: Hear, hear; there is at least one Liberal over there.

Mr. Byrne: —I would draw the attention of the house first to the fact that this measure is one which calls for voluntary action on the part of employees, and for a small measure of compulsion where employers are concerned.

The bill before us is one to amend the Industrial Relations and Disputes Investigation Act, and has special reference to the voluntary revocable check-off. As one who has had some experience with open shop conditions in my own province prior to the bringing into force of legislation of this kind, I would have been prepared and willing to sponsor a bill of this kind. It had not occurred to me however that this provision was not almost Canada-wide. Perhaps this arises by virtue of the fact that in British Columbia we have such progressive legislation so far as labour and social provisions are concerned.

I do not intend to take up the time of the house to prove the great necessity for stable labour unions. They are the governing bodies of employees, and take the full responsibility for recommending legislation which will govern the working conditions, wages, holidays and other matters pertaining to labour. These unions must have some measure of security, and I would say that this bill calls for the very minimum of that which, in the usual normal term, could be considered the lowest form of union security.

National, provincial and municipal governments find certain expenditures necessary to carry out their various programs. Yet in many cases if it were not possible to have some measure of compulsion brought to bear to support those governing bodies it would be impossible and impracticable for them to carry on. Therefore it is not improper for us to assume that these labour unions, which are the responsible governing bodies, should also enjoy some measure of security. The one here sought is a very small measure indeed, and if it becomes law will tend toward greater harmony in labour and management relations.

I have in mind an organization in my own community which could not function if it were not for the check-off implemented in its behalf. I refer to the community chest. By the simple procedure of check-off the contributions are deducted by the employers, and as a result this community service is enabled to render invaluable support to each and every social problem developing in that area.

It would be unfortunate indeed if, when the community chest canvassers approached an employee, requesting him to sign one of their cards to support that worth-while project, they found that the union employee was unable to enjoy the same privilege in the matter of payment of union dues. He would therefore be prejudiced against assisting this worthy cause. He would quite correctly feel that here was a measure of discrimination. I have not heard a great deal of argument against this bill, but I had considerable discussion on the question before coming here and perhaps can envisage some of the objections.

One objection is that the government or the Department of Labour does not wish to interfere in labour-management relations. They assume that the two groups should come together on a bargaining basis free of every form of compulsion. However, if we review the act we find that there is a measure of compulsion in it. Once a union has gained certification the two parties must come together to reach an agreement. It is quite conceivable that having reached that position a union could force an employer to negotiate without compulsory legislation also. I do not think we should single out one item that will lend the union a small measure of security.

There is on the statute books other legislation which exercises a form of compulsion in what is commonly known as the free system of buying and selling. Labour has nothing but its labour to sell, but the farmer has his wheat, butter, eggs and so on to dispose of. On many occasions in the past there has been a measure of interference with free trade between the producer of farm products and the consumer. Only recently the price of wheat for the next crop year was set by the government of Canada. Most certainly a precedent has been set. I think this matter should come to a vote and I shall not take up any more time of the house.

Mr. Paul E. Cote (Parliamentary Assistant to the Minister of Labour): Mr. Speaker, I have listened with great interest to the remarks of hon. members on this particular subject, which is of great importance in the field of labour. At the outset I wish to associate myself with the three hon. members who have expressed a desire to see a greater measure of trade union security in Canada. With them, I hope that all levels of government will contribute in any way possible to promoting the development of union security.

Where I disagree with the hon. member who has moved this motion is on the ways and means of promoting that union security. This happens quite often in connection with government policy. In the ten years I have been here I have found that very often all groups in the house will agree on the underlying principle of a measure, the only disagreement being when the process of implementation is being discussed. I go along with the sponsor of this bill to the extent that it is an expression of earnest and sincere desire to contribute toward obtaining for trade unionism in this country a greater measure of security.

If one views the economic history of this country in the past decade or two one will recognize that organized labour has been a factor of importance, an indispensable factor in the development of our industrial and economic life. One has only to realize that ten years ago, in 1939, the membership of organized labour in Canada was roughly 358,000. That membership increased constantly until it reached 461,000 in 1941, a peak in Canadian history. In 1942 it had increased to 578,000, another peak. In 1943 the membership was 664,000; in 1944, 724,000; in 1945, the year the war ended and when there was a certain amount of stabilization, the total went slightly down to 711,000. It increased again in 1946 by over 100,000 to reach a total of 831,000. The latest official figure I have is for 1948 and shows a total of 977,594 members in 5,114 branches of organized labour.

Let us compare the growth of trade unionism with the development in certain lines of production in Canada. If one makes this comparison one will realize that there is more than a coincidence in the growth of organized labour and certain lines of production in Canada. In 1939 our mineral production for instance was valued at $474 million. I shall not give the figures for the intervening years, but in 1947 this production reached a value of $619 million. The gross value of manufacturing production in 1939 was $3,479 million, and in 1946, the last figure I have, it had increased to $8,000 million.

Mr. Smith (Calgary West): Would the parliamentary assistant permit me one question? I am worried about only one thing. Suppose I am a union member and an employee of a boss, be it a corporation or otherwise. I am earning money; I have money coming in. I give that boss an assignment of $4 a month, which is the amount in the coal business, payable to the union secretary. I give him a simple assignment. Under our present law what possible right has the employer got not to honour the assignment which I have given? Why do we need any more law?

Mr. Cote (Verdun-La Salle): I have not reached a discussion of the particular point involved in the bill, but I may say to my hon. friend that my view is that this and any other measure of union security should be a

term and condition to be submitted to collective bargaining, and should be made part of the collective agreement between the employer on the one side and the union on the other.

Mr. Smith (Calgary West): I would be inclined to agree with you, but how can an employer refuse to pay? The voluntary check-off is nothing but an assignment of moneys which are mine. I have earned them. How can an employer refuse to honour that assignment?

Mr. Cote (Verdun-La Salle): I fully agree with the thought my friend has in mind, but this is a free country, and when you leave things to the free enterprise or free will of any one man you are liable to meet situations which are not understandable.

Mr. Smith (Calgary West): Sue him; make him pay.

Mr. Cote (Verdun-La Salle): I cannot see why an employer should not agree to discuss any phase of union security with the union. That is my own personal view. So far as this measure is concerned, I consider the labour code is not the place to insert a provision for union security. The labour code is entirely and exclusively a measure to provide for conciliation machinery.

Mr. Smith (Calgary West): I was not being critical. I was just asking if you knew the answer to my question.

Mr. Cote (Verdun-La Salle): That is the position I wish to make clear as to this matter. I am not opposing union security, but I say this is surely not the place for it to be introduced and to be made an act of parliament.

Mr. Knowles: Question.

Mr. Cote (Verdun-La Salle): From the rapid review which I have made of the development of trade unions in Canada, one will readily see that the greatest progress has taken place under the auspices of federal legislation in matters of labour relations. It was with the outbreak of the war that Canadian trade unions really went places, if I may use that expression. It was at a time when under the War Measures Act the central authority was vested with practically all jurisdiction in the field of labour legislation. During the war period and the two years immediately following, labour relations in Canada were regulated by the Industrial Disputes Investigation Act, and also, after February, 1944, by the wartime labour relations regulations known as P.C. 1003. Since September, 1948, roughly a year and a half ago, the present labour code, the Industrial Relations and Disputes Investigation Act, has been the statute regulating labour relations in matters falling under the jurisdiction of the federal government.

The Industrial Disputes Investigation Act and P.C. 1003 provided valuable jurisprudence in matters of labour relations and acted as a model for the present labour code. As the house knows, the present labour code was not drafted, presented to the house and passed in a short time. It took over two years before all the processes which were followed were completed. Before the first draft was presented to the house in 1947 as Bill 338 the suggestions of all interested bodies and of the provincial governments were sought and taken into consideration for the purpose of improving the initial draft. Only after that first stage was the bill introduced and referred to the standing committee on labour relations during the session of 1947. In the course of the meetings of the committee written representations were received from a great number of responsible organizations across the country and several of them even sent representatives to appear before the committee. I need only refer to the Trades and Labour Congress, the Canadian Congress of Labour, the Canadian and Catholic Confederation of Labour, the Canadian Brotherhood of Railway Employees, the amalgamated unions, the Canadian Bar Association, the Canadian Manufacturers' Association, the Canadian Chamber of Commerce, the Canadian Construction Association. They presented their views and at the end of the session a report was made to the house that the committee should be reconvened in the following session, and that the same terms of reference be given to it.

In 1948, after having studied further written representations, the committee proceeded to examine the bill clause by clause and finally made a report recommending it to the consideration of the house. Therefore the Industrial Relations and Disputes Investigation Act has been given most careful study. Time, effort and consideration have been expended on it with the result that we now have a model act which has inspired most of the provincial legislation on similar matters.

Mr. Knowles: Question.

Mr. Deputy Speaker: It being nine o'clock, the house will resume the business which was interrupted at six o'clock.

SUPPLY

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

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

48. Departmental administration, $90,620.

Mr. Harris (Danforth): Mr. Chairman, I understand we are now considering what to my mind is one of the most important phases of government facing the Dominion of Canada today. My first observation is that I am rather happy that we have a young man with energy and enthusiasm as the Minister of Citizenship and Immigration. Sprung from perhaps one or two generations of those who came from dear old England and Scotland, he must have within his bone and fibre what to my mind is all the best of citizenship that our present civilization knows. I am not one of those who harp on politics. I am a little sorry for his, of course, but that might be natural. I am happy that we have this young man, full of enthusiasm and ambition, to look after the interests of this most important of all departments of government. Why do I say it is important? Because Providence has given to us, in this great expanse of territory, the greatest possibilities for expansion of natural resources that any country in the world has.

I am not speaking without knowledge; I know. I have been around the world, and I have seen the conditions prevailing in other lands. I know that we have the greatest opportunities here for expansion that any civilization has had. What do we need? What must we have? The minister's name is Harris, so we must have more Harrises; that is what I would say. We must have more and more of them. Someone suggests that we get busy. It is twenty years since I sat in the back row of this house, and made a speech on this subject. Some bright wag said the same thing, and the Hon. Mr. Forke, who was the minister in charge of immigration at that time, said in his brogue, "Speak for yourself." I spoke for myself. Anyone who cares to look it up in *Hansard* will find the following deposition.

My uncle had seventeen children. Another uncle had thirteen children, and the other one had eleven. There are nine in my immediate family. I have a brother whose children go to a schoolhouse with seven rooms, and there is one child in every one of the seven rooms. At that time I made this other observation, that I am still the youngest man in Canada's House of Commons. At that point, I was interrupted. My friend the *Hansard* reporter put it that I was the youngest man in the House of Commons, with all this group behind me, when I was interrupted, and he put the period after "when I was interrupted." I suppose that is rather deep for some of you.

At any rate the point I am trying to make in this particular observation, which I did not intend to make tonight, is that the greatest immigration policy is the one based upon the sentiment I have expressed in this last sentence. I do respect one of our provinces which is showing us how to do it. At the same time I should like to emphasize that our country has too few people, has too many resources, and is too large in space and distance for us to be able to develop it alone. We must bring to our shores as many as we possibly can, and develop our country not only for our selfish reasons, but for the good of civilization. I think as I thought twenty years ago, but the twenty years have failed to bring a solution to the problem.

There has not been a failure to bring population to this country, but war has interfered, and other features of civilization have interfered. We did not get all we wanted to get. The cold weather, the long distances, the sparse population, high freight rates, all of these features of our economic life have deferred the development which belonged to us. But we are in a new age in which distance, Mr. Chairman, has disappeared. I might be in Vancouver the day after tomorrow, or I might be in London, England, the day after tomorrow. Distances are disappearing, and if we can spread that gospel to those who want to come to our shores, we may get more of them. When we get them, Mr. Chairman, I am asking the minister to design some formula to hold them here. Why is it necessary for the minister to sit in his place and admit that, if one goes back three generations, one finds that there are more Canadians in the United States of America than there are in Canada? It is for that reason that I ask the minister, and the officers of his department, to give some thought to that problem. We have the resources here, so we ought to be able to hold these people some way or other. I would even go so far as to support the minister if he made some recommendation to the effect that those who come to our shores must prove their anxiety to be Canadians by signing up for one, two, three or even five years, so that they will stay here to help develop the country. They will not fly overnight to that big magnet to the south of us.

Did the minister see the cartoon in the London *Times* a few months ago depicting a flock of birds as immigrants flying over to Canada? I shall get him a copy of it. I would hope that might come true. All of us have tried to bring them here. It is my pleasure to have been overseas half a dozen times, and I have brought my quota here. I tried my best, Mr. Chairman, to bring a million Canadian dollars, extracted or squeezed out of ten million pounds sterling, to establish an industry here. The currency regulations and difficulties collapsed that idea. We did establish four industries here. We lost our shirt, buttons and all, but that does not matter. One firm is in Edmonton, one in Calgary and two of them are in Toronto. Although one company made $30,000 last year and the other lost a quarter of a million, the income tax regulations did not allow the company to subtract the $30,000, yet it was all for the same interests. Income taxes were paid by the one industry, while the other lost its shirt. I am not pleading a case or a cause; I am just stating what happens when these people try to fly over here and go into industry.

I believe the Calgary industry lost about $50,000 or $60,000, and the one at Edmonton lost $9,000 or $10,000, but that does not matter. The home company is worth about £10 million sterling. My principal in that regard is tonight half way across the ocean to report to his people. I sent a cable encouraging them not to quit, but to be British and hang on. This country has all the essentials, and we will get through. They will bring more and more of their young people. The difficulties are these, and I shall give an example. A year ago one of their executives came into my office and asked whether there was any chance of picking up forty or fifty cars of raw material. I said, "Every chance in the world." He said, "Where is the raw material?" I said, "There are four cars lying in Lethbridge now waiting for a buyer; there are half a dozen cars in Calgary waiting for a buyer; there are another half a dozen cars in Edmonton waiting for a buyer." I said, "You have lots of money. Why don't you go out and buy them? Think it over. I do not want to leave you to stay here until twelve o'clock on Saturday." He said, "I will take the plane and go through to Lethbridge, from there on to Calgary and from there on to Edmonton." That afternoon I got a wire from Sussex, New Brunswick, telling of another four cars. I sent over to the Royal York hotel a copy of the wire saying, "Here are another four cars. You can have them. What are you going to do about it?" This is a big operator, an Englishman from London, England. "Oh," he said, "that is quite enough. I will take the plane on Saturday at noon and go to Lethbridge and examine those four; then I will go up to Calgary and I will call at Edmonton for the next four, and on my way home I will call at Sussex, New Brunswick, and I will be back in your Toronto office for an eight o'clock appointment on Monday morning." That depicts their idea of distance. I am merely putting these references on record to help the record and to help the problem facing the minister with regard to immigration.

The next senior executive came and he put a map out on my desk. I got this map of Canada. He said, "Why on earth have you not representatives on that Grand Trunk Pacific line from Quebec to Winnipeg? Look at all those towns along there. Look at all the chances for business. You should have salesmen in every village and in every town along there and you should have buyers there doing business." I of course looked at him in astonishment and amazement. I am speaking about high-standing executive men in business with British industries in London, England. The point is that they have no conception of distance, no conception of population, no conception of raw materials and no conception of where they are going to sell their goods. Perhaps I should not say that they have no conception; that is a strong sentence. They must have some conception; but it is hard for them, with their immense population and short distances, to understand why we in Canada have been so negligent, almost, of the possibility of our possibilities, as it were, to extend, build up and fill up this country with all those things which make the world go round, in the way of our economy, industry and what not in this country. I am putting this on record designedly so that those that the minister expects to bring here may have some means or another of thinking these things through before they pull up stakes and fly over here, and that they may think them through in a sense that will make them realize that we have all these possibilities, that we have all this opportunity. But they must know of the hazards; they must know of the difficulties.

A moment ago I mentioned Calgary and Edmonton. Why did I, in London, England, advise them to go to Calgary and Edmonton two years ago or three years ago? For the very reason that the potentialities of that particular area have now manifested themselves—and the potentialities are there. They are there and they have been given to us. I look for great expansion there from oil and gas. Even though some of the oil and gas might be piped across the borderline down to the United States, I imagine that there will still be enough there for us. I want to see it

used in Alberta. I was going to say on the record, but I think it is off the record, that when I see certain provisions taken advantage of, when I see taken from a budget of some few years ago certain little extracts which permit dumping duties to be set aside, I do not worry too much about it, but I wonder just how it was done without its being drawn to the attention of Canada's House of Commons.

As to cement, we make cement here. As to sweet goods, we do not grow much sugar, and I do not mind the sweet goods coming here. As to sporting goods, we do not make enough of them. I wish we would close this House of Commons and raise the fishing limits so we could go fishing before July 1. I do not mind them coming in, and they make very good articles there. As to the little Vauxhall motorcars and the other kinds of motorcars, I am not in the motorcar business and I rather like to see them come. I would like to buy a Vauxhall next week. I like to see them come in. I like to see the dumping duties eliminated to a degree on those articles. Although I am a Conservative of the Conservatives and a protectionist, and proud of it, I do not object to the dumping duties being relaxed to a degree on all goods coming from England. One of the reasons for that, of course, is that the British people have been in great distress with their exchange. I never like to say anything personal, Mr. Chairman. As many members of the house know, some of my own immediate family have been short-rationed in England, as it were. No month goes by without a ham or something else going over to England to help our friends over there. We are anxious to get them back on their feet. We were shocked and a little bit grieved perhaps when the exchange collapsed to the degree that it has. But if it is going to help them to manufacture more and to ship more here, we Canadians who are in industry can take it and stand up against it, and we will stand up against it to help them out in their present difficult circumstances, as long as there is a certain limit to the degree and to the amount of the business that they are going to take away from us. I am a Tory of the Tories and a Conservative of the Conservatives, and I am one of those who will not complain too much. But I should like to see spread on the record what we are doing. I do not want to have to wait until I get a copy of the *Sunday Times* of London, England, of April 2 of this year to find what articles are going to be relieved of dumping duties. I do not want to have to wonder what the policy of the present administration is going to be. I want to know. Why do I want to know? What has this to do with the Minister of Citizenship and Immigration? What has it to do with his estimates? It has just this much to do with it. For three decades I have been taught that trade follows the flag.

I was hoping that the immigrants from overseas would follow the trade. I am hoping that not only will trade follow the flag, but that, in leaving these dumping duties off, the immigrants will follow the trade; and the immigrants I am thinking about are those industries in Britain which are going to sell sporting goods here, according to the dispatch of April 2, and which are going to sell motorcars here. The dispatch of April 2 says that 70,000 are coming into Canada this year. Let them come. We will absorb them. But I am hoping that immigrants of standing and of culture will follow the trade that is coming here; and most of all, I am hoping that that trade will not only bring more of this class of people to our country, not only bring more of us closer together, but will help to solve this most stupid exchange position we are in with regard to trading one with the other, and I hope it will develop this country and put it in the place to which it belongs.

There are other countries attracting immigrants, but none so much as Canada should be attracting them. I hope that in his department the minister has an abundance of officers. I did not think the estimate of the department was large enough when I looked at it. I hope the minister has enough of them. I hope that when his officers cross-examine those who want to come to our shores of all kinds and classes they will not cross-examine them page after page as to who their great-great-grandfather or grandmother was. I hope that they will be broad-minded in that matter when they want to settle them on some land in the west. Look them over. If they are not too tall and their end close to the ground, and they have sturdy legs and look as if they should be able to cultivate the land, do not ask too many other ridiculous questions, such as whether they can lift 100 pounds or 200 pounds. Bring them in. Put them to work. So long as they are sound above the ears and they have the right ideas in their hearts and in their minds with regard to this country, about its being a land of opportunity, and if they are disposed to do a day's work, they will get their reward and they will be happy with the rest of us who have come through perhaps the same school of experience. Don't pamper them too much. Put them to work. We will find the material. Bring them in, and fill up this country of ours with really worth-while citizens, and more and more from the stock from which the minister has sprung. Be hard-boiled with

them. Put them to work and I am satisfied that in the matter of twenty or twenty-five years we shall reach our destiny. But, Mr. Chairman, we are awfully slow in doing it.

Mr. Matthews: I did not intend to speak tonight, and I shall not take time to discuss immigration generally; I may have an opportunity of doing that later on. First of all, I want to congratulate our new minister of immigration on the fine presentation he gave us today on the immigration situation as it faces Canada. To me that presentation indicates still more clearly the fact that he is the right man in the right place. I have known a good many men by the same name, Harris, and they were all good fellows. We have all listened with a good deal of interest to the address by his namesake across the corridor this evening. I must take exception to one of his remarks. If I understood him correctly I think he laid claim to the fact that he is the youngest member of the House of Commons.

Mr. Harris (Danforth): No, that was twenty-five years ago.

Mr. Matthews: Now, sir, I want to make special reference tonight to immigration of refugees coming here under the mandate of the international refugee organization. Perhaps it may be of greater interest if I say that most of my remarks will be based upon personal observation when overseas a few months ago, when I had the pleasure of visiting one of these displaced persons camps. I went there, as some of you know, as representative of the Canadian government to attend a convention of the international labour organization at Geneva.

May I digress here just for a minute or so to express the high regard my wife and I entertained for the various officials we found in various capacities and in various centres overseas. Their keen sense of responsibility, their abounding courtesy, their personal kindness compel me to make this public acknowledgment. I assure you I do so with pleasure and without any reservation.

The international refugee organization cooperates, as far as Canada is concerned, with the Department of External Affairs, the Department of Citizenship and Immigration, the Department of Labour, and so forth. I want to concentrate on that phase of immigration for several reasons: First because I am convinced that many people are unaware of the great work, the important work, the humane work accomplished by the IRO in transporting refugees to Canada, to the United States and to other countries.

Then there is another reason. After the close of world war II, committees from various nations found themselves appalled by the serious condition of millions of displaced persons. Canada then played an important part —perhaps I may say a leading part—in urging the creation of a definite organization to handle the situation in some effective way. The United Kingdom and the United States were in complete agreement in pressing for what came to be known as IRO. Its constitution was signed by the Canadian government, and the Canadian parliament ratified the signature. Furthermore, the record shows that the resolution was adopted by a committee of united nations under the chairmanship of my good friend and fellow Canadian, Senator Turgeon of Vancouver. He also took a very active part in framing the constitution. It should also be kept in mind that the Canadian taxpayer is paying his share toward the financial upkeep of the IRO, and he is therefore entitled to know what is being done with his money.

These are some of the reasons why I deem it fitting to make known to the Canadian people, and to this parliament, the impressions I formed from actual observation of IRO activities.

I referred a minute ago to millions of displaced persons. During the war many of those people were forced to leave their homes, go into Germany and work as forced labour in German fields and factories. At the end of the war the allied armies liberated actually millions of them from concentration and labour camps in Germany. They were found to be from every country in Europe and represented almost every walk of life.

We are told that in the months immediately following the German surrender many highways in Europe were literally clogged with masses of refugees trekking back to their homes. By train, by truck and on foot, they wended their way back. What did they find when they got there? Those seven million people and more found their homes were no longer there. Their homes had been destroyed. Their livestock had been driven away; their farming implements were no more. They had the land, but nothing else. There they were like animals turned out into the fields to live or die. No doubt many of them in their despair would have preferred death. It was clear that something had to be done, and done quickly, if their lives were to be saved. I suggest that the practical efforts applied to the solution of that problem will go down in history as a lasting tribute to the Christian virtues of the United Nations.

But there was still another problem. Besides those seven or eight millions who had returned to their countries of origin there were another 1,600,000 refugees who

had to receive some other form of international assistance if their lives were to be saved. Many of them were still in Germany, some in Austria, some in Italy and other smaller countries. To re-establish those 1,600,000 was a hopeless task for any one nation to undertake. So, once again, United Nations got under the load.

Under the sponsorship of its general assembly a preparatory commission was set up which operated for over a year, until IRO could be constitutionally formed. This was completed on August 20, 1948. Under the terms of its constitution IRO became responsible—mark you, because responsible—for those 1,600,000 displaced persons, displaced from home and friends and thrown completely upon the charity of the allies.

Let me make it clear that there are seventeen countries who are members of IRO. Those countries pay the operating costs on an assessment basis. Canada's share is about $6 million per year. In other words IRO, although in a sense part and parcel of United Nations, is financed by the seventeen member countries, quite independent of United Nations funds. The head offices of IRO are in Geneva. That fact added to my interest in the organization, for during our two and a half weeks in Geneva I visited those offices several times. On each occasion I was profoundly impressed with the atmosphere of alertness, efficiency and sincerity that was everywhere manifest. The director general directs from the Geneva office an international staff of practically 2,500 persons, representing thirty-eight different nationalities, and assigned to twenty-six different countries. Among them are a good many Canadians, and those of them whom I met are mighty fine Canadians. I trust, Mr. Chairman, that I have now made fairly clear the creation of the IRO, as I found it, and that some idea of its work may be unfolded as I continue.

Hon. members will understand more clearly my interest in this question when I tell them that one of the highlights of our trip overseas was the greater part of an afternoon spent in a displaced persons camp during our days in Germany. We were in the city of Karlsruhe, where Canada has a most active branch office in the American zone. Karlsruhe, like many other cities through which we passed in Germany, carries the scars of war to a very marked degree. The IRO staff there is composed almost wholly of Canadians, and a more cordial, co-operative, efficient and friendly group it has never been my privilege to meet. We drove from Karlsruhe probably forty miles to this displaced persons camp, formerly a large German barracks, a formidable type of structure looking well its part. It is what is called an assembly camp. It is recruited from some 58 or 60 minor camps quite a distance farther eastward. There I was able to grasp at first hand something of IRO activity, and still more of the responsibilities those officials were carrying.

On the day of our visit there were present 2,145 refugees, men, women and children, in the last stages of preparedness for transport across the Atlantic. A few were still being X-rayed, but the screening in general had been completed. One trainload was due to leave next day for Bremen, thence to New York, and another the following day to Montreal. I talked with several of the men, most of whom were Polish or Ukrainian, and some of whom could speak English. Reference to their homeland brought only a look of despair, but when one mentioned Canada their faces beamed.

I shall not take the time this evening to discuss immigration in general, because I may have an opportunity to do so later. May I say I am quite in accord with some of the remarks made before six o'clock by the leader of the opposition. However, if some of those remarks were intended to apply to displaced persons camps—and I am not sure that they were—then I would have to say that those remarks were not all in accordance with the facts. I speak from my own personal observations. There are two or three points he made with which I would be compelled to take issue respectfully and perhaps reluctantly.

I would say that everything humanly possible is being done to make their stay over there comfortable, and their trip across the ocean pleasant. I confirmed that opinion by personal discussion with some of them on board ship during our return from the old land. Every effort is being made to take care of them there, to take care of them on the ship, and to see that they are carefully placed after they are landed. I am sure they appreciate it. I am very happy therefore that these people are assured of a friendly welcome upon arrival here. Why should they not be? Throughout Canada, and particularly in western Canada, those who came to us from European countries forty or fifty years ago proved valuable assets to this country. They entered upon manual labour of the hardest kind, very often such as was refused by our native-born Canadians. They took up land in rough, unsettled areas, thought by some to be valueless; but before long those crude surroundings reached the stage when "creaking wagons bore the harvest home and well-filled barns laughed with their golden plenty".

Today a great many of those farm homes are among the most desirable in western Canada. The sons and daughters are making progress in all branches of Canadian life, not only on the farms but in business, professional and public life as well. In fact, in the province of Manitoba there are five members, either of European birth or ancestry, in the provincial legislature. I have no hesitation in saying that Canada is a richer country today because of that immigration years ago; and it will be richer still as a result of this new flow of immigration coming to our shores.

In one of the rooms we visited at the camp an elderly woman, intelligent and neat in appearance, was being instructed in languages by a younger one. It was explained to us that this woman was waiting and longing for the day when a certain technicality would have been overcome and she could join her friends in Canada. When about to leave I stepped across the room, shook hands with her and said as distinctly as I could, "I hope you will soon be in Canada". Whether it was the word "Canada" or just the little gesture of good will, I do not know, but the expression of gratitude shining through the tears that started coursing down that lonely woman's cheeks is something I shall not forget. Yes, an extra touch of kindness bestowed upon these people who come to us will make of them better Canadians and in a shorter time. I can assure the committee that the afternoon spent in that camp was to us an enlightening and worth-while experience.

I wish very bluntly to ask my fellow Canadians, both in this chamber and outside it, this pointed question: If as a result of war in Canada you had lost your homes and all you had, everything taken over by an enemy, many of your loved ones gone, if you were compelled to seek refuge in a European country, compelled to begin life all over again in a land you had never known, under conditions you had never experienced, among people you had never seen, addressed in a language you had never heard, in your despair hoping for the bread of kindness, just what would your feelings be; what would be your reaction? Just think that over for a while. I suggest that with the war clouds not yet cleared away, this is no time for any of us to adopt a complex of superiority or selfishness. At present there are two of these assembly camps in the French zone, six in the American zone and four in the British zone.

I should like to mention some of the general features noticeable around those displaced persons' camps. Notwithstanding the number transferred to other lands, there were still living in or near those camps as of March 1, 1950, a total of 305,407 persons. They included 105,000 Poles, 42,000 Ukrainians and 19,000 Yugoslavs. You ask: How do those 305,000 people manage to live? Well, it is pretty tough. Let us realize that they are maintaining their morale today only by the hope of migrating soon to some other country to begin life all over again.

Those people of various nationalities, various cultures, various degrees of education, have learned to live together in harmony. Everywhere they are reported to be governing themselves along the democratic lines of the countries in which they wish to resettle. A number of them earn a scant living by taking up work of different kinds, some as farmers, some as road builders, some as professional men and some as artisans. Many of them are doing work far below their qualifications. The women appeared to be busy at knitting, sewing and embroidery, and apparently all are of a thrifty type. Educational facilities have been made available for both children and adults. Moving pictures of Canada are shown and informative discussions concerning Canada are held. Lectures are given on various topics, educational and otherwise, for there is no lack of experts in almost every field.

May I emphasize here that many of those displaced persons although lacking in financial assets are well educated and capable in other ways. It is stated that in Latvia and Estonia, the original homelands of many displaced persons, practically the same percentage of the population attended university as in Canada, and that in 1939 there was approximately the same number of students at the university of Riga as at the university of Toronto. No, they cannot be classed as an illiterate people, not by any means.

From what I could see and learn I would suggest that now with the rush of immigration lessening to some extent the age of admissibility to Canada, now limited at 45 years, should be raised to age 50 at least. I would suggest also that the time has arrived when there should be more elasticity when one member of a family is found to be physically handicapped. To have a family barred from coming to Canada or broken up, to have some little one left behind in Europe, because it is not as strong as the others, seems to me rather harsh today, even if it were justified two or three years ago. Then again, permission for widows with one or more children, according to conditions, should be widened to the extent that each case be studied on its own merits.

I suggest this because I have confidence in the judgment of the men right on the ground

to make the proper selections. I have confidence in the screening, or security officers as they are called. I talked with two of them and could catch something of their difficulties. They have a tough job. They make every effort to be fair. It is not their wish to bar any worthy person nor do they want to admit the unworthy. Despite every precaution they will make an occasional mistake. That cannot be avoided. We are bound to get some misfits, but I ask whether there are any misfits among our own people.

We must also endeavour, so far as is reasonably possible, to keep down to a minimum that "hard core," as it is sometimes called, meaning the handicapped element. Norway has recently agreed to accept and care for one hundred of the blind among those unfortunates; Belgium 227 of the aged, now growing infirm; and Sweden 150 of those who show indications of tuberculosis. Other nations should lend a hand. I am informed that IRO has a $22 million fund in the budget to pay part of the cost of permanent care to countries willing to accept some of those hard core cases.

It is to the credit of Canada, and I say it with pride, that ours was the first country to accept displaced persons from overseas. We began with fifty-four, who sailed for Canada on the *Aquitania* on April 4, 1947, and since then Canada's record compares favourably with that of any other country. From that time there has been a total of 43,000 workers brought to Canada under the arrangements made by the interdepartmental immigration committee. This is the break-down: for domestic service approximately 10,400; for farms, 13,289; heavy labour, 19,000; and for nursing, interneship and professional service, 300. In addition to the 43,000 workers there were 3,388 wives or children of those workers who came along with them. In addition to those 46,388, there were over 55,000 wives and children of workers who had been left in d.p. camps and who were brought out after the workers became established. Some others were relatives or close connections of those already here. Canada has actually brought across 101,388 refugees to date. Here I should point out that Canada agreed in the first place to accept only five thousand displaced persons, but as you will note we have exceeded that number twenty times over.

There are those who say that because of our housing shortage immigration should not be encouraged. In that connection someone has made the apt remark that the greatest housing shortage this country has ever known was the day Jacques Cartier landed on the shores of Gaspe. Others claim we have all the population now we can assimilate. If I remember correctly a somewhat similar claim was made long years ago by the Hudson's Bay Company. Those coming into western or northern Canada at that time to embark upon other activities were mostly regarded as aliens, intruding upon the supposedly sacred precincts of the fur industry. I take it we have far outgrown a mental attitude of that kind, particularly when we stop to consider that Canada's land area is greater even than that of the United States and Alaska, and comprises 28 per cent of the land area of the British commonwealth. Ever since the days when the fur industry reigned supreme in western and northern Canada increased population and increased production have gone forward hand in hand in the development and the enrichment of Canada. Would any process of depopulation and decreased production spell any greater, or as great, prosperity for our people? The answer is obvious.

The IRO was supposed to discontinue operations on June 30 next, but it is pleasing to note that the time has been extended by United Nations up to March 31, 1951. After that date further arrangements will go into effect. I have taken longer than I would have wished in discussing the set-up and work of the IRO, but I feel that it is information to which Canadians are entitled, and which they will be glad to receive. I hope to have something to say at a later date on the subject of general immigration.

Now, Mr. Speaker, in conclusion may I point this out, that in the setting up of an organization to this end, in the adjusting of a thousand details and difficulties never even thought of by the general public, in the securing of an efficient and sympathetic personnel in many different centres, the fact of transportation congestion resulting from the huge number of returned men and women, who were so gladly brought back to Canada and re-absorbed into our economy, in placing those refugees at work when they arrived in Canada and in attaining the phenomenal results expressed in the figures I have just quoted, I am sure every thoughtful person will agree that the Department of Labour is entitled to sincere congratulations and the highest praise. A writer remarked not long ago that the achievement of bringing those refugees here in the face of the many difficulties that had to be overcome is as remarkable a performance as anything to be found in the history of immigration to Canada.

Mr. Knowles: I have already had the privilege of extending my congratulations to the Minister of Citizenship and Immigration (Mr. Harris) upon his appointment to this portfolio and I am glad to have this opportunity of repeating that expression of good will. One

of the reasons why I am glad to see the hon. member in charge of this department is that I believe he is a person who is very much against discrimination. It is to that quality in him that I should now like to make an appeal. My appeal relates to the plea for the repeal of order in council P.C. 2115 of September 30, 1930, which has to do with the immigration of Chinese to this country.

As the minister knows, for quite a number of years Chinese immigration to Canada was governed by a portion of the Immigration Act which was known as the Chinese Immigration Act. The act was referred to by people in China as the Chinese exclusion act, and two or three years ago the hon. member for Spadina said that Chinese people in Canada referred to it as the Chinese extermination act.

It is good to know that the Chinese Immigration Act has been repealed. That was done by parliament in 1947. It was made clear at that time, however, in the course of the debate on the bill which abolished the Chinese Immigration Act, that there was still a bit more of the job to do. Not long since a delegation of Chinese and other citizens waited upon the Minister of Citizenship and Immigration and placed a brief in his hands asking for the repeal of order in council P.C. 2115. May I remind the minister and the committee that just before the session at which the Chinese Immigration Act was repealed there was a press release indicating that that was going to be done, and that discrimination against Chinese on racial grounds would be ended. That press release was issued by the then prime minister, Mr. King, on January 27, 1947, and read in part as follows:

> Mr. King said that, at an early stage of the session,—

The reference was to the session of 1947.

> —the government intends to introduce a bill to repeal the Chinese Immigration Act which is regarded by the Chinese government as an exclusion act and in the nature of discrimination on grounds of race against a friendly and allied people. The effect of the repeal will be to remove all discrimination against the Chinese on account of race and to bring Chinese persons under the general provisions of the Immigration Act and no longer under legislation applying exclusively to persons of Chinese origin.

As the minister knows, the portion of that last sentence which caught the attention of the Chinese people in this country and others interested in this matter and encouraged them was the first part which read:

> The effect of the repeal will be to remove all discrimination against the Chinese on account of race—

The sentence went on to add the further words that I have given. At the time most people did not feel there was any particular significance to the rest of it, but it turned out that there was. The rest of the sentence read:

> —and to bring Chinese persons under the general provisions of the Immigration Act and no longer under legislation applying exclusively to persons of Chinese origin.

That sounded fine, but I shall point to the flaw in it shortly. First, I want to indicate that there were three orders in council that are a part of this story. There is order in council P.C. 695 which is the general order in council respecting immigration and which may have had certain amendments. Then there is order in council P.C. 2115 of September 30, 1930, which provided that no Asiatics were to be permitted to bring their wives or other members of their families into Canada unless the person in Canada was himself a citizen. P.C. 2115, however, did not apply to Chinese people so long as the Chinese Immigration Act was on the statute books. The relevant paragraphs of P.C. 2115 read as follows:

> From and after August 16, 1930, and until otherwise ordered, the landing in Canada of any immigrant of any Asiatic race is hereby prohibited, except as hereinafter provided:
>
> The immigration officer in charge may admit any immigrant who otherwise complies with the provisions of the Immigration Act, if it is shown to his satisfaction that such immigrant is the wife or unmarried child under eighteen years of age, of any Canadian citizen legally admitted to and resident in Canada, who is in a position to receive and care for his dependents.

The next paragraph was of particular significance so long as the Chinese Immigration Act was in force. It read:

> Provided that this regulation shall not apply to the nationals of any country in regard to which there is in operation a law, a special treaty, or agreement, or convention regulating immigration.

It is clear from the sense of the last sentence that so long as there was in effect a special Chinese immigration law governing these people P.C. 2115 did not apply to them, but once the Chinese Immigration Act was repealed by parliament in 1947 it automatically put the Chinese under the provisions of P.C. 2115.

Here was, if I may call it that, the joker in the press release made by Mr. King. He had said that once these changes were made all discrimination against the Chinese on account of race would be removed, but that was not the whole of the sentence. In the rest of the sentence he said that Chinese persons would be brought under the general provisions of the Immigration Act and no longer under legislation applying exclusively to persons of Chinese origin. We took that at its face value, thinking that Chinese persons

would be brought under the general provisions of the Immigration Act, but with the repeal of the Chinese Immigration Act we discovered that they came automatically under P.C. 2115, the order in council which denies to any Asiatic the right to bring members of his family to Canada unless he, the person in Canada, is already a citizen.

How did Mr. King square his announcement with what ensued? It was squared by the last words of his sentence in which he said they would no longer be under legislation applying exclusively to persons of Chinese origin. Certainly they are not now under legislation applying exclusively to persons of Chinese origin as was the case when they were under the Chinese Immigration Act, but they are now under regulations that apply to people of Asiatic origin. They are almost no better off. As I say, it was a bit of a joker, and the minister knows just as well as I do that it has been a very sore point not only with the Chinese people of Canada, who discovered that discrimination against them on account of race was not ended, but also with religious bodies, trade union organizations and thousands of Canadian citizens whose feeling toward these matters is so essentially sound that, like the minister, we do not want discrimination on account of race.

There was one other order in council that related to this matter, namely, P. C. 1378 of June 17, 1931. It was a further piece of discrimination in that it required the Chinese people, before they could come to Canada, to have the approval of the minister of interior of the Chinese government. I am glad to say that that order in council was repealed about the same time that the Chinese Immigration Act was repealed. Now, the government has done well in the steps it has taken. It has repealed, by a subsequent order in council, order in council P. C. 1378. The government also got parliament to repeal the Chinese Immigration Act. My request is that they go this further step and repeal P. C. 2115, and put the Chinese under the provisions of the general immigration regulations that are set out in P. C. 695.

The particular point about P. C. 2115, as it applies to the Chinese, is this. Whereas a person who has come here from Europe can bring his wife and relatives to this country, even though he is not yet a citizen, that right is denied to a Chinese person who is here. The denial is clearly on the basis of race. When one realizes the disabilities under which these people have been for many years, one can understand why some of these Chinese have not become citizens of this country. The order goes a bit further than that, and the member for Red Deer (Mr. Shaw) referred to it this afternoon. Even if a person of Chinese origin in this country, now a Canadian citizen, wishes to bring his wife and children from China, he finds he can do it only with respect to his wife and the children who are under eighteen years of age. I do not need to continue to emphasize the unfairness of it, Mr. Chairman. I am sure the minister who has come into charge of this department, and has to deal with it, feels just as badly in his heart about it as I do. I simply want him to know that the people of Canada feel that way about it too. He will be doing what the people of this country want, if he removes from our immigration regulations this discriminatory rule that is involved in P. C. 2115. It is one of the worst forms of discrimination, discrimination on the basis of race; there is no room for that in Canada.

After the matter had been brought to light in the debates that took place in this house in 1947, debates which were rather heated at times because some of us felt that, to use the words of my leader, a cruel hoax had been perpetrated, as a result of those debates and the way in which the continuing racial discrimination against the Chinese was brought out, the matter came up for discussion in the other place the following year. In fact, the whole matter was referred to the standing committee on immigration and labour of the Senate. On Wednesday, March 10, 1948, a group of witnesses appeared before that Senate committee to make a plea for the repeal of P. C. 2115. I hold in my hands a record of that day's proceedings of that committee, and according to the minutes of the proceedings the final results were as follows:

> On motion of the Hon. Senator Murdock, seconded by the Hon. Senator Bouchard, it was resolved that in the report of the committee a recommendation be included for the repeal of order in council P.C. 2115 respecting the admittance to Canada of wives and children of men of Chinese descent now resident in Canada.

When one reads the minutes of evidence in detail, he discovers that when the motion was carried the Hon. Senator Euler made the remark that it was carried unanimously. In that instance, Mr. Chairman, I think the hon. senators who were on that committee were reflecting the views of the people of Canada. During the course of the discussion questions were asked which made it clear that the Chinese people were not asking for the gates to be opened wide. They made it clear that the total number who would come in after the repeal of P.C. 2115 would be very few. So far as I am concerned I feel that we Canadians who value our principles, and who like to think we are non-discriminatory, should be more concerned about this than

the Chinese who are denied the right to bring their wives and children to Canada. They suffer from this wrong; we are ashamed of it.

As I have already said, it is not long since a delegation came to Ottawa and waited upon the minister. I understood from the delegates that he received them most sympathetically and most kindly, and I know that he would. Later that day the delegation entertained a number of us at a most enjoyable Chinese dinner at the Cathay restaurant. I am looking to see whether any of the members who were present on that occasion are in the house tonight. I thought they would be here when this matter came up. Certainly the members who were there that night, the member for Vancouver South (Mr. Laing), the member for Sudbury (Mr. Gauthier) and the member for St. Paul's (Mr. Rooney), along with myself, to name a few who made speeches when called upon, promised they would back up the representations the delegation had made. I am sorry that those members who were there are not here tonight to say something on the floor of this house. I am sure they meant what they said, and I believe the minister knows the feelings of the Canadian people about this matter. I do hope that it will not be long now until the government removes this discriminatory provision from our immigration regulations.

Mr. Fulton: Mr. Chairman, the discussion which has taken place so far—

Mr. Fournier (Hull): Mr. Chairman, would the member mind if I interrupted for a moment? I saw the leaders of the different parties, and asked them if they would object if we asked that this item be allowed to stand so that we might take up veterans affairs. My colleague the minister has to leave in a few minutes, so if my good friend could postpone his speech until the next time—

Mr. Fulton: When will the next time be?

Mr. Fournier (Hull): As soon as possible.

Item stands.

DEPARTMENT OF VETERANS AFFAIRS

528. Departmental administration, $2,175,279.

Mr. Pearkes: Does the minister wish to make a statement at this time?

Mr. Gregg: Not at this time. I should prefer, if the house agrees, to make the remainder of the hour available for any hon. member who might wish to bring up a matter under general administration.

Mr. Pearkes: Mr. Chairman, I welcome this opportunity of bringing up a few matters concerning the Department of Veterans Affairs, its general administration, and matters which affect the ex-servicemen of this country. I welcome the opportunity particularly this evening, because this week end sees the anniversary of the baptism of fire of a great many Canadian veterans who took part in the first world war, and who were members of the first thirty thousand troops to leave Canada. Those men set a standard of service for this country which succeeding contingents, both in the first and in the second world war, did their best to live up to. It is, therefore, a pleasure for me today to find that there is an opportunity of expressing in this house, in very inadequate words, the deep gratitude which Canada owes to that first contingent in the first great war.

There had, of course, been Canadians going overseas to the South African war previous to that. But during the early months, and particularly during April of 1915, the great bulk of the men who had left Canada with the first contingent came into action and brought everlasting honour to themselves when they stemmed the German advance at the second battle of Ypres and suffered all the horrors and hardships of what is so frequently referred to as the first gas attack. The men who had fought through those battles, the men who had set that example for other Canadians who followed in their footsteps, are the type of men we are considering today when this country is providing, and providing generously, for their well-being and for the care of those who are still suffering from wounds, and the dependents of those men and those who followed after them, trying to live up to the example of that first contingent of world war I.

When we come to examine the funds which are being provided for the welfare of these men, and for their rehabilitation into civilian life, I think everyone will agree that succeeding governments have endeavoured to follow the wish of the people of Canada to deal generously with their returned men. It is quite immaterial what party happens to be in power. I think it has become the practice of governments in this age to follow the wishes of the people of the country. They are in a position, by means of their civil service which is established all across the land, and by the contact which members of the House of Commons are able to obtain with their constituents, to size up accurately what is the opinion of the country on any particular point. The governments have been able to assess with a considerable degree of accuracy the wishes of the Canadian people with respect to their veterans, so frequently expressed, namely, that the veterans should

be dealt with generously and that, provided that the general economy of the country is not adversely affected, every possible assistance should be given to the returned men of this land. I therefore feel that the governments, since the first great war, have been following the wishes of the people rather than leading the nation, along the line of generous treatment to the veterans of Canada.

However, in spite of the fact that the country is anxious to deal generously, the country is not in a position to be extravagant even with regard to its treatment of the ex-servicemen. It is therefore the duty of members of parliament to examine the estimates as they are presented, to see whether there is any undue extravagance, and whether the dollars which are being provided by the people are being spent in the best interests of the veterans. As every hon. member of this house knows, in the past the members of all parties were given an opportunity of assisting the government in making certain that the money allocated for the welfare of the veterans was spent to the best advantage. Members from all parties were called together in the committee on veterans affairs —of bygone days, I regret to say—and there they were able to offer their advice to the minister and his assistant. They were able to call before them the officers of the department. They were able to call representative groups of the veterans before the committee so that the wants of the different types of veterans might be explained at first hand to the members. The problems of the department were discussed and decisions were reached in that committee so that sound recommendations might be made to the government of the particular day.

I believe there is no matter of greater urgency today than the setting up of a similar committee so that they may examine the estimates of this department; so that they may hear the evidence presented by the various organizations; and so that they may discuss with the officials of the department not only what measures may be taken for the further assistance of the veterans of this land but also may examine the situation and see whether it is not possible to effect economies in the administration of the department.

When one takes just a casual glance at the estimates as presented in this blue book, the very first item that one sees is "general administration"; and under the heading of "general administration" one notices that, this year, $18,255 more than was required for the general administration last year is being asked for by the minister. I have no doubt that, when questioned here in committee, the minister will be able to give reasons why there should be an increase in the general administration of his departmental headquarters. At the same time it is significant that there should be an increase in the headquarters item when we heard only yesterday, in another discussion, that the policy, as far as the war veterans allowance board is concerned, is to decentralize to district administration. Yet we find that in district administration they have been able to effect a reduction or a saving in the estimates this year over those of last year of $93,017. If savings can be effected in the districts where the district administration is in the closest touch with the bulk of the returned men in the country, one is forced to ask why a similar or even a greater saving cannot be made in the general administration of the departmental headquarters. Why cannot a saving be made instead of there being an increase? This is just one of the type of questions which might be investigated in a committee specially assembled to inquire into veterans affairs.

It must be embarrassing at times for a minister to have to effect economies in a department where there is such an urgent desire on the part of so many people, and so many members of this house, to obtain greater benefits for their old comrades. I am not at all sure that a committee might not be of very considerable assistance to the minister. That is only one matter which might well be referred to a committee.

There are many other matters dealing with veterans' welfare which require the most careful consideration at the present time. We know that it is necessary to introduce certain amendments to the War Veterans Allowance Act. Reference was made to that in the speech from the throne. Yesterday a resolution was introduced in the house dealing with some of the improvements which are considered necessary, but there are other adjustments which might be made to the War Veterans Allowance Act other than merely granting to ex-imperial soldiers and others who had served in forces other than Canadian forces in the war the benefits of that act.

Many representations have been made that the basic allowance should be increased. Many representations have been made that other groups of veterans should also be made eligible for that allowance. Many representations have been made for the removal of the so-called means test in connection with the War Veterans Allowance Act.

Earlier this week a discussion was held on another matter which has been long outstanding as far as a certain group of veterans are

concerned, namely, granting clear titles to the old soldiers who took up land under the soldier settlement board. The debate on that subject was adjourned. I suggest that there would have been no need to adjourn the debate on that subject had it been possible to discuss it again before a suitable committee, because it had been discussed a couple of years ago.

Another point which is exercising the minds of many people who are closely connected with the returned men of this country is the necessity of stabilizing the pension. When there was a committee on veterans affairs that committee recommended to the government—and the recommendation was accepted—that the pensions of veterans of world war I should be stabilized after a period of three years. A great many organizations across the country feel that the time has now come when there should be a general stabilization of pensions of men who have even served during world war II, and who have been drawing a pension for a certain period of time, let us say three years. After three years, and when it is obvious that their medical condition is not likely to improve, that pension should be stabilized, and they should be given the secure knowledge that they will be able to draw a certain rate of pension for the rest of their lives because of the war disability that they have received. The man who has been wounded, or whose health has been seriously impaired by active service, feels that although he perhaps may be able partially or at times temporarily to regain a measure of his health, yet there is still the aggravation of that wound or that sickness which is a handicap to him, and that as a recompense for all that he has gone through, and to make up for that haunting fear that at some time the old trouble may recur, he should be entitled to whatever classification of pension was given to him, after a reasonable time has elapsed, and after there has been a period of fixed and steady pension income accruing to him. Therefore I say that that is one of the problems which must be facing the administration today; and I am sure that representations have been made to the minister in the same way as they have been made to me and to other hon. members that the time has come when that matter might well be given consideration.

Earlier in this session—to be precise, on March 13—the minister announced that there had been a change in the regulations affecting the hospitalization of ex-servicemen who under the provisions at that time were not eligible for hospitalization. The words of the minister will be found on page 681 of *Hansard* of March 13 of this year. He said:

> This regulation permits this department to give hospitalization and treatment to veterans who are ineligible under present regulations, but who are covered as to hospital costs by private or provincial government insurance plans; or who, though not insured, have the means to pay for the treatment for which they may apply at D.V.A. hospitals.

After the minister had made his announcement I was permitted to ask him a question. I asked whether it was the intention that those who are now to have the advantage of hospitalization in the D.V.A. hospitals under this new regulation would be expected to pay their full amount. The minister replied in this way:

> As I indicated in my statement, many of the matters related to the question just asked—

And that was in connection with the second part of my question which dealt with the relation of the patient going into the D.V.A. hospital with such provincial hospital scheme as there might be.

> —are now being worked out. To answer the hon. member's second question first, under this regulation only those veterans will be accepted who pay the full amount which will be set for that particular hospital.

I cannot help feeling that had more consideration been given to this change in the regulations we should have seen something of a rather different nature. Here we are giving those veterans who have the ability to pay the opportunity of entering D.V.A. hospitals. The question which will have to be decided, as to whether a man who is not eligible under present regulations is to be admitted into a veterans' hospital, is: Will he be able to pay the full amount? I do not believe that that is really the wish of the majority of the people of Canada. I believe there could have been worked out an alternative plan whereby the opportunity to go into our veterans' hospitals would have been given to those ex-servicemen who had not the ability to pay rather than to give it to those who have the ability to pay.

I know we have somehow or other to make both ends meet, I suppose, so far as hospitalization is concerned. I know men who are destitute can be admitted into these veterans' hospitals under what is generally known as the class 5-A scheme. But a man has to be almost destitute to be admitted to a D.V.A. hospital under those conditions.

The conditions as to the requirements in assessing his eligibility to enter a D.V.A. hospital under this 5-A treatment plan are

that his liquid assets and his income have to be assessed. If a veteran has no dependents and has liquid assets not exceeding $250 he may be admitted to a D.V.A. hospital. But I ask you, Mr. Chairman, how long will liquid assets of, let us say, anything over $250 last? Are there not a great many people who will hesitate to take advantage of hospitalization in the fear that they dare not use up all their savings, all their liquid assets, in paying out hospital bills? They would rather suffer at home than go into a hospital where they have to spend their savings to the extent of $250.

If a man has dependent children he is allowed $400 in liquid assets. But, with more than that, he does not become eligible for the class 5 treatment. Then, so far as income is concerned over and above these liquid assets, he is eligible if he has an income of less than $500 a year. If he has an income of more than $500 a year certain deductions are made and certain other restrictions imposed. If his income is between $500 and $900 the cost of the treatment he expects to receive in the veterans' hospital must be at least 5 per cent of his income before he is admitted. And if as a single man his income is over $900 and less than $1,200 his treatment must be assessed at at least 10 per cent of his income.

Surely a scheme could have been devised in which the authorities would have made that hospital accommodation in D.V.A. hospitals available to a larger group of veterans who really cannot afford to pay the full amount of hospitalization, by making an extension of those regulations I have just read out, and making those conditions more flexible by raising what might be called the means test which is required of a veteran before he is eligible for the class 5 treatment.

Then, there are many men in this country who are drawing 100 per cent disability pensions. Those men are not eligible to enter a D.V.A. hospital unless their illness, sickness or the accident they may have suffered can be attributed directly to the disability as a result of which they are drawing pension. Might it not have been more generous if the 100 per cent pensioner were permitted to occupy available space in a D.V.A. hospital, whether or not he was able to pay in full the usual charges of that hospital?

I feel that had more consideration been given before this regulation was drawn up, if there had been an opportunity for members of the House of Commons to discuss the matter with representatives of the government, with departmental officials and with representatives of veterans' organizations, a scheme would have been prepared which would have helped the veteran who is not in a position to pay, rather than give advantage to the veteran who is in a position to pay the full amount of his hospitalization.

I know that I shall be told that the cost of hospitalization in a veterans' hospital compares favourably with the cost in any other hospital, but we know that the cost of hospitalization, whether it be a D.V.A. hospital or a civilian hospital, is quite expensive. Figures were given last year showing that the daily charge for a ward bed in a D.V.A. hospital was $9.75, which included medical attention. It will be seen that these charges compare favourably with those of civilian hospitals, but I point out that $9.75 a day is a mighty large sum of money for a man to pay out who has liquid assets of only $250 and whose yearly income is only $500. Had there been an opportunity to discuss this matter I think a different solution might have been worked out.

Another matter I wish to refer to is the general policy with regard to the issue of medals for service in the last war. General dissatisfaction has been expressed because men who were entitled to receive service medals find that their names have not been inscribed on the medals. The medals issued after world war I gave the man's name and his regimental number on the edge of the medal, but in this war the medals have been issued without any name whatever and they can be pawned off and passed around without a man being able to say, "This is the medal I earned."

There is another point of grievous concern to a unit in which a large number of men from my constituency served and to other units across the country. Those gallant men who served in the magnificent raid upon Dieppe in 1942, a raid which startled the world and provided such valuable lessons for the invasions to follow in later years in Africa and Europe, have been denied the privilege of wearing the Northwest European Star. Service medals are awarded after consultation between the various governments of the commonwealth. The only government that was really concerned with the welfare of the men who served at Dieppe was the Canadian government. There were no other commonwealth troops in that action except the men of the Royal Navy, the Royal Air Force and two commandos from the British army.

Surely the Canadian government might have realized what the Northwest European Star would have meant to those men. Many

of them were taken prisoners of war and had no opportunity to gain medals in other campaigns. If any troops served in northwest Europe, they did. If any troops were entitled to that medal, they were. I cannot help feeling that there was laxity on the part of the government in not seeing that those men who fought in such a magnificent action, an action which contributed so much to the success of the campaigns that were to follow, were awarded that medal.

I have only one other point with which I should like to deal. Earlier in my speech I started to refer to the necessity of being as economical as possible. I wonder whether the money spent on the monthly publication *Veterans' Affairs* is really worth while and whether that publication is appreciated by all those who receive it. I am wondering whether the $20,000 or $30,000 required for its publication could not be spent to better advantage. I know that many copies are sent to hospitals where perhaps they are appreciated, but there are many other copies that perhaps are not appreciated.

The publication contains a certain amount of information regarding the department, but I feel it is of questionable general advantage. I am not prepared to say that it is of no advantage, I am not prepared to say that it is not appreciated, but I think the expense of its publication is well worth investigating. I have mentioned $20,000 or $30,000, but I imagine the exact amount will be brought out in the discussion of the estimates. The details are given in this book and I presume the amount mentioned is largely spent on that particular publication.

To sum up, because there are these and many other problems which I have not the time this evening to go into, I say once again that we need a committee to examine all matters having to do with veterans' affairs, to examine the estimates and the general policy. It would make available the cumulative advice and experience of hon. members of this house who could meet and express the wishes of the people of this country to deal as fairly and as generously as possible with the ex-servicemen of this land.

Mr. Brown (Essex West): Mr. Speaker, during the few minutes at my disposal I should like to make a plea to the minister and to the government on behalf of a group of veterans in my constituency as well as in various constituencies across Canada. I refer to the prisoners of war in the European theatre. These men who served so gallantly in that theatre of war have now come back into civilian life to a large extent and have taken their part in a dignified and important manner. The commanding officer of the Essex Scottish regiment at the present time is Lieutenant Colonel Walter Macgregor, who served with distinction at Dieppe, and who for many months was a prisoner of war. Mr. Frank Walton, the newly elected president of the junior chamber of commerce in my constituency, is another who served with distinction in the armed forces and who is now taking his place in civilian affairs.

These prisoners of war in Germany were subjected to great indignities. I am informed that the enemy did not comply with the Geneva agreement with respect to many of the laws and rules of warfare concerning the treatment of prisoners. The men suffered insults of mind and of body and also great humiliation. They were unlawfully confined on numerous occasions. Their restraint and shackling is now history and we hope such practices will never reappear. They were deprived of adequate food, shelter, accommodation, clothing and various other amenities of life while prisoners of war. The result was that many of these veterans suffered great physical difficulties which have continued up to the present time, and in all probability will remain with them for many years to come.

I understand that members of the armed forces of the United States who served in this theatre of war and who became prisoners of war have been allotted certain compensation out of reparations due from the Germans, and also that there was certain compensation given by Canada to veterans who served at Hong Kong. I have received two resolutions which have been forwarded to the minister. One is from the Essex Scottish regimental association at Windsor and in brief it petitions the government as follows:

> Now therefore be it resolved that the government of Canada be respectfully requested to award to each of the said Canadian prisoners of war held by the German government, by way of reparation and partial compensation, a sum of money calculated on the basis of $1 a day for each day of confinement, on which the German government failed to furnish the quantity or quality of food or supplies, heat or accommodation required by the terms of the Geneva convention, or on which it subjected the said prisoners of war to other unlawful treatment as aforesaid.

I understand this petition has been forwarded to the Minister of Veterans Affairs representing the government and has also been supported by a further petition from the largest automotive labour union, I believe,

in the Dominion of Canada, local 200 UAW-CIO. This union goes on record as supporting the veterans of the Essex Scottish regimental association as follows:

Be it resolved that we of organized labour request the Canadian government to pay all prisoners of war (world war II) $1 as provided in the Geneva agreement.

May I, Mr. Chairman, add my support to the plea not only of the regimental association but also of organized labour and request that every consideration be given by the government to the granting of this compensation. We realize that probably the Canadian veteran has been treated as well as or maybe better than most other veterans throughout the world. Nevertheless there is no compensation in dollars or in goods that we can give to these veterans which will adequately pay them for their services, or which will adequately exonerate us from the great debt that we owe them.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, on Monday we will resume the debate on the budget.

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

HOUSE OF COMMONS

Monday, April 24, 1950

The house met at three o'clock.

COMMITTEES OF THE HOUSE

RAILWAYS AND SHIPPING—RAILWAYS, CANALS AND TELEGRAPH LINES—CHANGES IN PERSONNEL

Mr. W. G. Weir (Portage-Neepawa) moved:

That the name of Mr. Dechene be substituted for that of Mr. Macdonald (Edmonton East) on the special committee on railways and shipping owned, operated and controlled by the government.

That the name of Mr. Jones be substituted for that of Mr. Thatcher; that the name of Mr. Applewhaite be substituted for that of Mr. Eudes; that the name of Mr. Byrne be substituted for that of Mr. Hartt; that the name of Mr. Mott be substituted for that of Mr. Healy; that the name of Mr. Decore be substituted for that of Mr. Macdonald (Edmonton East), and that the name of Mr. Prudham be substituted for that of Mr. Whitman, on the standing committee on railways, canals and telegraph lines.

Motion agreed to.

TRANS-CANADA HIGHWAY

ANNOUNCEMENT OF SIGNING OF AGREEMENTS WITH SIX PROVINCIAL GOVERNMENTS

Hon. Robert H. Winters (Minister of Resources and Development): I believe that hon. members will be interested to know that the federal government this morning entered into agreements with six provincial governments for the construction, under the terms of the Trans-Canada Highway Act passed by parliament last session, of the links of the trans-Canada highway through their respective provinces.

Contracts were signed with representatives of Ontario, Manitoba, British Columbia, Prince Edward Island, Saskatchewan and Alberta. The provinces with which an agreement was not signed were Quebec, Nova Scotia, New Brunswick and Newfoundland.

Hon. members will recall that when the bill was being considered by parliament last session I informed the house of the government's view that the project would not be national in scope unless all provinces entered into the agreement, and that unless it were national in character the federal government would not be justified in participating.

However, in view of the fact that those provinces in which no such east-west highway exists have all signed the agreement, and having regard also to the fact that the implementation of the agreement with the six provinces will result in a hard-surfaced road from east to west across Canada, thereby in substance achieving the aim of the act, it is the opinion of the government that the people of Canada generally would approve of having the project proceed in the six provinces with respect to which agreements have been signed. I am convinced, moreover, that it is only a matter of time until the remaining provinces will participate in the project.

I should like at this time to express the appreciation of the government for the wholehearted co-operation extended by the provincial ministers and officials concerned in the negotiations.

The agreement was signed on behalf of the province of Ontario by Hon. George H. Doucett, minister of highways and public works; of the province of Manitoba by Hon. E. F. Willis, minister of public works; of the province of British Columbia by Hon. E. C. Carson, minister of public works; of the province of Prince Edward Island by the premier, Hon. J. Walter Jones; of the province of Saskatchewan by Hon. J. T. Douglas, minister of highways and transportation; and of the province of Alberta by Hon. D. B. MacMillan, minister of public works.

Mr. Argue: Will the Minister of Resources and Development table a copy of the agreement signed by the provinces with respect to the trans-Canada highway?

Mr. Winters: Yes, I shall be very glad to do that.

Mr. Brooks: Will the minister give the reasons why the province of New Brunswick would not sign the agreement?

Mr. Winters: The province of New Brunswick has not said it will not sign the agreement. At the present moment I think it is a matter of deferment rather than refusal.

[Later:]

ROUTE THROUGH B.C. MOUNTAIN PASS—QUESTION AS TO ENGINEERING ADVICE

On the orders of the day:

Mr. John Decore (Vegreville): I should like to direct a question to the Minister of Resources and Development. What engineering advice has the minister secured, if any, in regard to the cost of construction, cost of maintenance and usability of the trans-Canada

highway over the three mountain passes in western Canada? In particular has any engineering opinion been requested from the engineering staff of the minister's department, and if so, what was the substance of that advice?

Mr. Speaker: It seems to me this is a question which might be put on the order paper.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PRINTING BUREAU—RESIGNATIONS IN 1950

Mr. Knowles:

1. How many employees have resigned from the staff of the government printing bureau since January 1, 1950?
2. What reasons were given by such employees for such resignations?

Mr. Fournier (Hull):

1. Eleven.

2. No reason stated, 4; to better position, 2; did not want shift work, 2; unable to secure living accommodation, 1; dissatisfied with working conditions, 2.

RIDGEDALE, SASK., POSTMASTER

Mr. Wright:

1. Who is the present postmaster at Ridgedale, Saskatchewan?
2. On what date was this appointment made?

Mr. Lapointe:

1. John Richard Grandy.

2. (a) Temporary, 1st May, 1949; (b) permanent, 13th October, 1949.

RADIO BROADCASTING—C.B.C. PROGRAM "WHAT'S YOUR BEEF"

Mr. Fraser:

1. Is the radio program "What's Your Beef" sponsored by the Canadian Broadcasting Corporation?
2. If so, what does this program cost per broadcast?
3. Are the participants in this program interviewed before going on the air?

Mr. McCann:

1. No.

2. No information.

3. No information.

CANADIAN MARITIME COMMISSION—SHIPPING SUBSIDIES

Mr. Isnor:

1. Of the $3 million subsidy voted to be used by the Canadian maritime commission, what amount has been expended to date?
2. What are the names and addresses of the shipping companies receiving subsidies, showing in each case (a) number of ships owned; (b) names of ships; (c) size by tonnage; (d) amount of subsidy paid?

Mr. Chevrier:

1. The $3 million subsidy has not as yet been voted by parliament; therefore no amount thereof has been expended to date.

2. Answered by No. 1.

CANADIAN NATIONAL RAILWAYS—PENSIONS

Mr. Knowles:

1. How many retired employees of the Canadian National Railways are in receipt of non-contributory service pensions (a) $100 to $199.99 per month; (b) $200 to $299.99 per month; (c) $300 to $399.99 per month; (d) $400 to $499.99 per month; (e) $500 or over per month?
2. How many retired employees of the Canadian National Railways are in receipt of pensions in part basic and in part contributory (a) $100 to $199.99 per month; (b) $200 to $299.99 per month; (c) $300 to $399.99 per month; (d) $400 to $499.99 per month; (e) $500 or over per month?
3. How many retired employees of the Canadian National Railways are in receipt of retirement allowances, including pensions arising from any pension plan plus supplementary allowances, totalling (a) $100 to $199.99 per month; (b) $200 to $299.99 per month; (c) $300 to $399.99 per month; (d) $400 to $499.99 per month; (e) $500 or over per month?

Mr. Chevrier:

The Canadian National Railways advise as follows:

1.

(a) $100 to $199.99 per month	107
(b) $200 to $299.99 per month	8
(c) $300 to $399.99 per month	2
(d) $400 to $499.99 per month	1
(e) $500 or over	3
	121

2.

(a) $100 to $199.99 per month	1,644
(b) $200 to $299.99 per month	113
(c) $300 to $399.99 per month	24
(d) $400 to $499.99 per month	10
(e) $500 or over per month	15
	1,806

Of the above, 1,111 are payable under the provisions of the I.C.R. & P.E.I. provident fund and G.T.R. superannuation fund.

3.

(a) $100 to $199.99 per month	4
(b) $200 to $299.99 per month	3
(c) $300 to $399.99 per month	Nil
(d) $400 to $499.99 per month	1
(e) $500 or over per month	Nil
	8

These retired employees do not receive any payments under any pension plan.

GOVERNMENT ELEVATORS

STOCKS IN STORE AT SASKATOON IN 1949

Right Hon. C. D. Howe (Minister of Trade and Commerce): I should like to table an amended answer to a question asked by the hon. member for Souris (Mr. Ross) on April 17, *Hansard*, page 1623. The question was as follows:

1. What amounts of different types of cereals, seeds, or other commodities were stored in the federal government grain elevator at Saskatoon, during the year 1949?

2. Who were the owners of these cereals, seeds or other commodities?

3. What amount of charges were assessed to these owners?

I am told some of the figures tabled were incorrect, and I am now tabling the correct answer.

1. See statement below.

2. It is not desirable to publish the name of the owner, as this would reveal the details of the individual's business to his competitors.

3. See statement below.

1. CANADIAN GOVERNMENT ELEVATORS

SASKATOON ELEVATOR

—	Wheat (bushels)	Oats (bushels)	Barley (bushels)	Flax (bushels)	Canada Rapeseed (lbs.)	Screenings (bushels)	Charges
Stocks in store, January 1, 1949, for account of 11 owners:	580	8,183	134	18,022	10,277,130#	.....	$ 8,005.00
Received January 1, 1949— December 31, 1949, for account of 5 owners	7,940	.....	.....	.....	883,045	18,160	206.17
Total stored	8,520	8,183	134	18,022	11,160,175#	18,160	8,211.17
Shipped January 1, 1949— December 31, 1949 for account of 9 owners, plus cleaning or drying loss, invisible loss, deficit at weighover	7,270	7,998	7	17,830	11,160,175#	18,160	15,546.38
In store, December 31, 1949	1,250	185	127	192	Nil	Nil	23,757.55

QUESTIONS PASSED AS ORDERS FOR RETURNS

STEEP ROCK IRON MINES

Mr. Knowles:

1. Was any money spent by the federal government, either directly or through the Canadian National Railways, in each year since 1939, in construction projects, the purpose of which was to assist in the mining or transport of iron ore at or from Steep Rock iron mines at Atikokan, Ontario? If so, what was the total amount in each year, and what was the original authority for such payments?

2. Was any money spent by the federal government, in each year since 1939, by way of freight subsidies in connection with the transport of ore as noted above? If so, what was the total amount in each year; from what point to what point do such subsidies apply, and what was the original authority for such payments?

3. Was any money spent by the federal government, in each year since 1939, by way of assistance to Steep Rock Iron Mines, Limited, either direct or indirect, in any other way than indicated in questions 1 and 2 above? If so, what was the total amount in each year; what are the details of such other payments, and what was the original authority for the same?

4. Has Steep Rock Iron Mines, Limited, been granted any special tax concessions, having regard to income tax, corporation tax, excess profits tax, special depreciation or accelerated depreciation, at any time since January 1, 1939? If so, what are the details of such concessions?

Mr. Fournier (Hull): Return tabled.

PUBLIC SERVICE—TRAVELLING AND LIVING EXPENSES

Mr. Diefenbaker:

What was the amount expended month by month since the first of April, 1949, to date in all departments of government for (a) travelling expenses; (b) living expenses and allowances?

PUBLIC SERVICE—TRAVELLING AND LIVING EXPENSES OUTSIDE OF CANADA

Mr. Diefenbaker:

1. How many government officials or representatives of Canada have travelled beyond the confines of Canada in connection with government business month by month since the first day of April, 1949, and to date?

2. What has been the total amount of expenditures for all travelling, living allowances and expenses incurred or expended by such persons since said date?

TELEVISION

Mr. Brown (Essex West):

1. Is there at present any fee chargeable for the operation of a television receiving set in Canada?

2. If not, have any plans been made for the imposition of a fee for the operation of a television receiving set in Canada?

3. When is it to be introduced with relation to the establishment of television broadcasting, and how much is each reception licence to cost?

4. Have plans been made for the establishment of television broadcasting stations in Canada?

5. If so, in what locations, and when are they expected to be in operation?

6. Have plans been made to establish a television broadcasting station in Windsor, Ontario?

7. If so, what is the estimated population within a radius of a hundred miles that would be served by such station?

PRINTING BUREAU—WAGES AND HOURS OF WORK

Mr. Knowles:

1. What is the hourly rate of wages now being paid to printers at the government printing bureau (a) for day work; (b) for night work?

2. How many hours per week do printers work at the government printing bureau before overtime rates begin, and what are the overtime rates?

3. What is the hourly rate of wages now being paid to printers working in commercial shops (a) for day work; (b) for night work, in (i) Ottawa; (ii) Montreal; (iii) Toronto?

4. How many hours per week do printers work in commercial shops, in (i) Ottawa; (ii) Montreal; (iii) Toronto, before overtime rates begin, and what are such overtime rates?

5. What is the hourly rate of wages now being paid to printers working in newspaper shops (a) for day work; (b) for night work, in (i) Ottawa; (ii) Montreal; (iii) Toronto?

6. How many hours per week do printers work in newspaper shops, in (i) Ottawa; (ii) Montreal; (iii) Toronto, before overtime rates begin, and what are such overtime rates?

GOVERNMENT DEPARTMENTS—ADVERTISING

Mr. Fraser:

1. What was the total cost to each department of the federal government for advertising (a) on the radio; (b) by motion pictures, during the year 1949?

2. What is the estimated cost for the same this year?

VETERANS LAND ACT

Mr. McGregor:

1. In each province, how many veterans are settled under the Veterans Land Act?

2. In each province, how many acres are now occupied under V.L.A.?

3. In each province, how many acres now owned by the government are yet to be transferred to veterans?

4. In each province, how many homes have been erected or are in the course of erection by veterans?

5. What is the total value of the property occupied by veterans under the V.L.A. in each province?

6. In each province, what is the number of resales of veterans property bought under the V.L.A.?

7. In each province, what is the number of inspectors or field men under the V.L.A.?

8. In each province, what is the number of V.L.A. inspectors' cars operated at government expense?

9. In each province, what is the total number of cars owned and operated by the Department of Veterans Affairs?

10. In each province, what is the total number of employees and officials in all V.L.A. departments?

11. In each province, what is the number of parcels of government lands, with or without buildings sold to other than veterans?

12. In each province, what was the total value of all parcels sold to other than veterans?

13. In each province, other than under V.L.A., what real estate sales were concluded by the Department of Veterans Affairs?

[Mr. Brown (Essex West).]

NORTH CHANNEL SHIP AND YACHT REPAIR COMPANY

Mr. Knowles:

1. Have contracts affecting H.M.C.S. *Cataraqui* been let to the North Channel Ship and Yacht Repair Company at any time since August 1, 1948? If so, how many such contracts have been let, and what is the amount of each?

2. Has the North Channel Ship and Yacht Repair Company at any time since August 1, 1948, had contracts other than contracts affecting H.M.C.S. *Cataraqui*? If so, how many such contracts has it had, and what is the amount of each?

3. Who are the members of this company? Is Mr. H. K. Hill connected therewith in any way?

4. Who is the commanding officer of H.M.C.S. *Cataraqui*?

5. Is the work under any contracts affecting H.M.C.S. *Cataraqui*, which have been let to the North Channel Ship and Yacht Repair Company, being done to the satisfaction of the commanding officer of H.M.C.S. *Cataraqui*?

6. Does any one other than the commanding officer of H.M.C.S. *Cataraqui* check on these contracts, and on the satisfaction of the work done thereunder?

CROWN CORPORATIONS AND OTHER GOVERNMENT AGENCIES—PROFITS OR LOSSES

Mr. Argue:

1. What are the names of all crown corporations, boards or other government agencies engaged in commercial or business operations on behalf of the government, during 1949?

2. What was the profit or loss incurred by each?

3. How will the losses be met in each case?

MOTIONS FOR PAPERS

DOMINION STEEL AND COAL CORPORATION—FEDERAL ASSISTANCE

Mr. MacLean (Cape Breton North and Victoria):

For a copy of all correspondence between the federal government, any minister, department, branch or official thereof, and the Dominion Steel and Coal Corporation, or the Dominion Coal Company, in connection with loan of $7,500,000; also a copy of agreement between the federal government and the company.

Mr. Howe: There is no objection to making the return, but I would call the attention of the hon. member to the fact that the agreement itself has not been signed. It is to be ratified by a general meeting of the shareholders to be held on May 12. I suggest that the motion pass with the understanding that the return will not be brought down until the agreement is signed.

Mr. Speaker: Carried, subject to the statement made by the Minister of Trade and Commerce.

CANADIAN NATIONAL RAILWAYS—ALLOWANCES TO PRESIDENT ON RETIREMENT

Mr. Diefenbaker:

For a copy of all cheques, and acknowledgments of or receipts therefor in respect of any allowance

or allowances made or paid to the chairman or president of the Canadian National Railways on retirement, since January 1, 1948.

Mr. Chevrier: There is objection to this motion. If it passes, it is evident that the amount of the allowance will be revealed to the house. It has been the practice of the Canadian National Railways to refuse to give to the house salaries, payments and allowances of this kind.

I think, Mr. Speaker, I should add another word, because this very important matter was discussed at some length in the committee on railways and shipping a few days ago. At that time this very information was asked for. The president of the Canadian National Railways made the statement, of his own volition, that a retiring allowance had been paid to the ex-president of the Canadian National Railways; that it had been made in conformity with a precedent of some years' duration, and further that it had been made with the full authority of and in conformity with the proceedings of the board of directors; and he asked the committee not to reveal the amount. I took the same position, supporting that of the president of the Canadian National Railways, and said that the information was available to the committee if it wanted it, but that I trusted the committee would uphold the position of the president of the Canadian National Railways, and it did.

The question now is whether the house should receive the information when the committee took the position that the amount should not be revealed. For these reasons I think we should follow the practice that we have always followed in this house, namely, that of not revealing the amount.

Mr. Diefenbaker: Mr. Speaker, I desire to have a vote on this question, for the reason that the government at no time is averse to giving the number or the amounts of retirement allowances or pensions of employees who receive non-contributory service pensions. Indeed a question on today's order paper in the name of the hon. member for Winnipeg North Centre (Mr. Knowles) asks:

"How many retired employees of the Canadian National Railways are in receipt of non-contributory service pensions" of stated amounts. When the question was called, the minister said: "Answered".

I have looked up debates of the past, and I can find no case analogous to this. About one year after Mr. Vaughan's retirement period he was granted an allowance additional to the ordinary pension. The amount has been variously estimated as running into many thousands of dollars. When the Canadian National Railways requires money to finance its operations it comes to parliament. Surely parliament has a right to know what payments are gratuitously made to the retiring president or other officials; for, after all, when parliament is asked to put up the money it should have the right to know how the money is being disposed of. Sir, I wish to have this matter brought to vote.

Mr. Graydon: May I ask the minister one question?

Mr. Speaker: I will allow the question, but I should point out that these motions are not debatable.

Mr. Graydon: In view of the fact that the public pay for this, why should not the public know how much they are paying?

Mr. Chevrier: I think that is a fair question; perhaps I might be allowed a moment or two to answer it. The position the Canadian National Railways take is that they should not be asked to reveal information which, if it were possessed by their competitors—

Mr. Fraser: Rot.

Mr. Chevrier: Well, whether it is rot or not, the position that has been taken in the past is that information of this kind should not be revealed before a committee of the house. And the very member who interrupted me a moment ago is a member of that committee, and did not insist that this information be revealed.

Mr. Fraser: I did insist.

Mr. Chevrier: Furthermore, there are two members sitting in the house now, belonging to the same party as the hon. member, who, when they were given information by the present president of the Canadian National Railways, after demanding it, withdrew their objections and said they were perfectly satisfied.

Mr. Fraser: No, we did not. I never withdrew my objection at all; and I asked the question.

Mr. Chevrier: I said I would like to answer the question, and that it would only take a moment. The hon. member says his objection was not withdrawn. Let me read from the record.

Mr. Diefenbaker: Mr. Speaker—

Mr. Chevrier: Now, now!

Mr. Diefenbaker: On a point of order—

Mr. Speaker: The hon. member for Lake Centre is rising to a point of order.

Mr. Diefenbaker: Has the minister the right to quote from proceedings in committee, when there has been no report?

Mr. Speaker: I might point out that the procedure has been somewhat irregular,

both in debating this issue and in referring to the report of a committee which has not yet reported. The procedure thus far has been irregular, but perhaps the house might like the minister to continue.

Mr. Chevrier: I should like to read this.

Mr. Fraser: What is the number of the report?

Mr. Chevrier: I am reading from the proceedings of the sessional committee on railways and shipping, issue No. 4. At page 229 I find this:

> Mr. Fulton: As far as I am concerned, I am very happy with Mr. Gordon's statement because it clears up a point which particularly interested me, namely, whether it would be a charge against the pension fund. He has said that it would not be.
>
> As to Mr. Vaughan's service, I think we, as members of the committee, should go on record. I understand that Mr. Vaughan was actually given a year's extension; that the government requested him to serve an extra year: therefore there can be no question that his retirement was at the request of the government.
>
> For my own part, the question of the pension fund has been cleared up. And I think, as to the amount of payment, while I would not care to say that I feel bound by that previous ruling, yet under the circumstances stated by Mr. Gordon, I would not press for disclosure of that amount.

That is the record. I can go on further and show the position taken by another hon. member at that time:

> Mr. Gillis: Personally, I never had any doubts concerning the matter except the doubts which might have been created here. I am satisfied that Mr. Vaughan was retired in a normal way and, as in the case of every other president, that he was paid a lump sum, following established precedent.

And finally:

> Mr. Fraser: —

Some hon. Members: Oh, oh.

Mr. Chevrier: The member for Peterborough West (Mr. Fraser) said:

> I said before that I thought Mr. Vaughan quite deserved anything he got; but coming out of that, now that we know that Mr. Vaughan did get something, may I ask a question? Do the directors also get a retiring allowance?

Then Mr. Gordon went on to answer the question.

Mr. MacInnis: How did he answer it?

Mr. Chevrier: I said, in answer to the hon. member for Peel, that it has not been the practice to reveal information of this kind. I said in committee that I intended to hold nothing from the committee, and if the committee wished to have this information it was free to get it. But hon. members did not insist; and that being so I do not think the information should be given to the house.

Mr. Fraser: Mr. Speaker—

[Mr. Speaker.]

Mr. Coldwell: I rise to a point of order. We have before us a motion which is not debatable, but on which there has been considerable debate. Some of us would like to say why we are going to support the motion, and yet under the rules of the house we cannot do so. Either we should have a debate, or the rules of the house should be rigidly adhered to.

Mr. Speaker: Is it the pleasure of the house that I put the question?

Mr. Fraser: Mr. Speaker—

Mr. Speaker: As the name of the hon. member for Peterborough West has been brought into this discussion, I think he should have the right to speak.

Mr. Fraser: The minister said the committee agreed. But they did not agree. He also quoted what I had said, but did not quote all I said. I said this:

> Mr. Fraser: I do not think that the minister's argument is sound; I do not think it covers the case at all. I think this committee should have that information.

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

YEAS

Messrs:

Argue	Hatfield
Balcer	Herridge
Beyerstein	Hodgson
Blackmore	Johnston
Blair	Jones
Brooks	Knight
Browne (St. John's West)	Knowles
Bryce	Lennard
Casselman	Low
Charlton	Macdonnell (Greenwood)
Coldwell	MacInnis
Diefenbaker	McLure
Drew	Noseworthy
Fair	Pearkes
Ferguson	Quelch
Fleming	Ross (Souris)
Fraser	Shaw
Fulton	Sinnott
Gagnon	Stewart (Winnipeg North)
Goode	Thatcher
Graydon	Thomas
Green	Tustin
Hansell	White (Middlesex East)
Harkness	Wright
Harris (Danforth)	Wylie—50.

NAYS

Messrs:

Abbott	Brown (Essex West)
Anderson	Bruneau
Applewhaite	Byrne
Ashbourne	Campney
Bater	Carter
Bennett	Chevrier
Bertrand	Clark
Blanchette	Claxton
Blue	Cleaver
Boucher	Cote (Verdun-LaSalle)
Bourget	Dechene
Bradette	Decore

Dewar	McCubbin
Dickey	McCulloch
Dion	McCusker
Douglas	McDonald (Parry Sound-Muskoka)
Dumas	McIvor
Ferrie	McLean (Huron-Perth)
Fournier (Hull)	Major
Fulford	Matthews
Gardiner	Maybank
Garland	Mayhew
Garson	Monette
Gauthier (Lake St. John)	Mott
Gauthier (Sudbury)	Murray (Oxford)
Gauthier (Lapointe)	Murray (Cariboo)
Gauthier (Portneuf)	Mutch
George	Prudham
Gourd (Chapleau)	Riley
Gregg	Roberge
Harrison	Rooney
Hellyer	St. Laurent
Helme	Simmons
Hetland	Sinclair
Howe	Smith (Queens-Shelburne)
James	Smith (Moose Mountain)
Jutras	Stewart (Yorkton)
Kent	Stick
Kickham	Stuart (Charlotte)
Kirk (Digby-Yarmouth)	Studer
Lafontaine	Tremblay
Langlois (Gaspe)	Viau
Lapointe	Warren
Lefrancois	Weaver
Leger	Weir
Little	Welbourn
MacKenzie	Whiteside
MacLean (Cape Breton North and Victoria)	Winkler
MacNaught	Winters
Macnaughton	Wood—101.
McCann	

Mr. Mitchell: I was paired with the hon. member for Waterloo South (Mr. Homuth). Had I voted I would have voted against the motion.

Mr. Huffman: I was paired with the hon. member for Haldimand (Mr. Catherwood). Had I voted I would have voted against the motion.

Mr. Smith (Calgary West): I am still paired with the hon. member for Edmonton East (Mr. Macdonald). Had I voted I would have voted for the motion.

Mr. Cardiff: I was paired. Had I voted, I would have voted for the motion.

FOREIGN EXCHANGE

CONVERTIBILITY OF EUROPEAN CURRENCY

On the orders of the day:

Mr. H. O. White (Middlesex East): I should like to direct a question to the Minister of Trade and Commerce. It arises out of a recent newspaper article indicating that European currency will become convertible in the not too distant future. Will the minister elaborate on the matter and indicate to the house when European currency will become convertible?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, an organization known by the initials OEEC—organization for European economic co-operation—has been advancing a plan which is designed to bring about the interchangeability of currencies on the continent of Europe, including the United Kingdom. This plan is still under study and is being actively advocated. I think there is some hope that convertibility to the extent I have indicated will be brought about in the near future.

Mr. Macdonnell (Greenwood): The minister says he thinks there is some chance of convertibility of currency in Europe, including Great Britain. If it included Great Britain, would that in his opinion include the sterling area?

Mr. Howe: This is only a proposal that is being considered. There has been no agreement, but it is my understanding that the proposal is to arrange convertibility for currencies used in Europe, including sterling, francs, lire, and so on.

WHEAT

QUESTION AS TO DOMESTIC PRICE FOR 1950-51 CROP YEAR

On the orders of the day:

Mr. P. E. Wright (Melfort): On Thursday last the Minister of Trade and Commerce made a comprehensive statement in the house on the subject of wheat. We are not likely to have a further discussion of the question for some time, and there is one point on which I think there should be clarification. I should like to ask the minister if it is the intention of the government to continue the present domestic price on wheat of $2 per bushel plus carrying charges for the 1950-51 crop year.

Right Hon. C. D. Howe (Minister of Trade and Commerce): No decision has been reached on that point.

INQUIRY FOR RETURN

ANSWER TO QUESTION AS TO FEDERAL GOVERNMENT PUBLICITY DIVISIONS

On the orders of the day:

Hon. Alphonse Fournier (for the Secretary of State): Mr. Speaker, I wish to give an answer to a question asked on the 16th of March by the hon. member for Peterborough West (Mr. Fraser). The question was:

1. What departments of the federal government have information or publicity divisions?

2. How many employees are in each of these divisions as (a) permanent civil servants; (b) temporaries?

3. What is the total cost of operating each of these divisions?

Inquiries of the Ministry

On Friday last the hon. member asked whether all departments had made returns to the order which was tabled on April 17, 1950. The return tabled included all the the departments which had given information. The departments which sent in "nil" reports were not included. There were seven such answers. There are five departments to which the order was not referred, as it was thought that these departments would not have any information to submit. These departments are the auditor general's office, office of the chief electoral officer, the governor general's office, the insurance department, and the privy council office. A circular has been sent to these departments, and when the replies are received all the "nil" replies will be tabled as a supplementary return.

Mr. Fraser: I should like to direct the attention of the Minister of Public Works to the fact that the Department of Finance did not make a return. On page 122 of the details of the estimates there is an item of $30,000 for a public information program.

Mr. Fournier (Hull): I will call the attention of the Minister of Finance to that.

BUTTER

INQUIRY WITH RESPECT TO FLOOR PRICES AFTER APRIL 30

On the orders of the day:

Mr. P. E. Wright (Melfort): I should like to direct a question to the Minister of Agriculture. As the present floor prices on butter expire on April 30, has the government reached a decision on the floors after that date, and what methods it intends to use in establishing them?

Right Hon. J. G. Gardiner (Minister of Agriculture): Representatives of the dairy producers across Canada are meeting in Ottawa today, and they will be making representations to me as Minister of Agriculture. The matter will not be finally discussed and considered by the government until those representations are made.

SIR BASIL BROOKE

INQUIRY WITH RESPECT TO VISIT OF PRIME MINISTER OF NORTHERN IRELAND

On the orders of the day:

Mr. W. Ross Thatcher (Moose Jaw): I should like to direct a question to the Prime Minister. It is the same question that I directed to the government on Friday last. Is it the intention of the government to have any official reception for the Prime Minister of Northern Ireland?

[Mr. Fournier (Hull).]

An hon. Member: No.

Mr. Sinclair: Why not?

Right Hon. L. S. St. Laurent (Prime Minister): The matter has not yet been considered.

TARIFFS AND TRADE

QUESTION AS TO JAPAN'S PARTICIPATION IN GENERAL AGREEMENT

On the orders of the day:

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, on Friday last the hon. member for Moose Jaw (Mr. Thatcher) asked whether Canada opposed the entry of Japan into the general agreement on tariffs and trade. The answer is that Canada did not oppose Japanese participation in GATT, but that we would only favour it conditional upon the existence of economic and political stability in Japan and satisfactory assurance of her observance of fair trading practices.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Tuesday, April 4, consideration of the motion of Hon. Douglas Abbott (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Macdonnell (Greenwood), and the amendment to the amendment of Mr. Coldwell.

Mr. William Bryce (Selkirk): Mr. Speaker, when I adjourned the debate on the 4th of April I was trying to explain to the hon. member for Glengarry (Mr. Major) and the hon. member for Russell (Mr. Gour) that the high price of grain should not be laid at the door of the western farmer. The hon. gentlemen know quite well that all grains are handled by the wheat board, as announced in the house a few days ago by the Minister of Trade and Commerce (Mr. Howe).

Farmers in the east are seriously annoyed because of the prices they have to pay for feed grains. Before going further into that matter I want to make it perfectly clear to all those using feed grains that the western farmer has no intention of exploiting this market by holding grain at ridiculously high levels. He has far more sense than to do anything like that. I should like to direct attention to the fact that the floor prices of wheat, oats and barley today are $1.40, 65 cents and 93 cents per bushel respectively. Of course those prices are in store at Fort William; but the producer in the prairie

provinces actually receives approximately $1.20 for wheat, 55 cents for oats and 79 cents for barley. Freight and handling charges amount to approximately 20 cents in the case of wheat, 10 cents in the case of oats and 14 cents in the case of barley. Of course the farmer is entitled to any profit that may accrue from the sale of the grain by the wheat board after the crop season is over, by means of participation certificates.

Since hon. members from the east are accustomed to deal with wheat, oats and barley by the ton; let me put it in that form. At these prices the producer in western Canada is getting $39.60 per ton for wheat, $32.35 for oats and $33.18 for barley. So I do not believe hon. members who understand the growing of grain will consider for a moment that the western producer is getting too much, having in mind what he must pay for his implements and the materials that enter into his production costs.

One of the principal things the western producer wanted was a steady price, which would not only give him confidence to produce but would also give the purchaser of his produce grain at steady prices. That is why the farmers favour having the wheat board handle all grain, so that steady prices may prevail for both the producer and the consumer. But we have fluctuations from day to day, and complaints from consumers. What are the reasons for these fluctuations in grain prices? I do not know whether the Minister of Trade and Commerce can tell us, but certainly these prices should not be changing as they do. Evidently someone, through the speculative market, has been able to place those who require cash grain in a position where they must pay premiums of as much as 10 cents per bushel for oats and 35 cents for barley, in order to obtain their immediate requirements.

This additional cost to the eastern feeders does not necessarily mean increased prices to the western producers. It is much more likely to represent profit taken by speculators on the Winnipeg grain exchange. This is why we in the C.C.F. have always believed in the abolition of the speculative market. Let us look at what was said by the hon. member for Russell (Mr. Gour) on April 4, as reported at page 1559 of *Hansard*:

> Therefore I think it is my duty to urge our good friends, the grain growers of the western provinces, not to create such a bad situation for their friends, the farmers of the east, who after all are their best customers, because in the near future they will need them to buy their grain and it will be too late. Today the bulk car price for No. 3 C.W. oats is $76 a ton at stations in eastern Ontario less a subsidy of $6 per ton. Barley is about the same. At the present time farmers, dealers and co-operatives refuse to buy. It will mean less bacon, less cheese, less chickens, and so on. The quoted price for grain on July 31 last was $15 less per ton. Why do we not have the July price today? If we did, our farmers would buy, the western farmers would get their money more quickly, and the eastern farmers would keep on producing the food. It would not create this misunderstanding between eastern farmers who need the grain and western farmers. The western farmer needs the eastern farmer to buy his grain. We need the best friendship we can possibly have.

If you compare the amount the western farmer receives for his oats, about $32.35 a ton at the elevator, and the $76 a ton the hon. member says farmers in his constituency are paying, there is a big difference. To my way of thinking the difference is much too great. I agree that the eastern farmer is paying too much, but I am sure the hon. member will agree that the western producer is not receiving too much. The situation is much the same with respect to barley; but let us deal for a moment with oats, which at last week's prices would cost approximately $59 a ton at Fort William. The freight to points in the vicinity of Montreal or Ottawa would be an additional $2.40. Loading would cost $1.50. Bags would have to be provided, but, since they can be used several times, an allowance of $2 per ton for bags should be sufficient. This would give a total of $63.72 per ton at any point in my hon. friend's constituency. Taking the figure at an even $64, when my hon. friend pays $76 the difference is $12 a ton or $480 on a forty-ton car of oats. It would be a good thing if the eastern farmer would check into this and see if someone is not charging more than the traffic should have to bear. On Friday of last week I checked Ottawa prices and found that wheat, in bags to the farmer, was $74 a ton, oats were $70 and barley was $69. I also checked the Montreal figures and found that wheat was $71, oats $70 and barley $69.

Taking oats again as an example, the price at both Montreal and Ottawa was $70, which leaves a profit of $6 per ton for the handling of a ton of grain. In other words on a forty-ton car there would be an allowance of $240 for handling 800 bags of oats, which seems a good profit. I have known dealers in the west who were satisfied to handle oats at 10 cents a bag, and make money. Fluctuations in the market will also cause the dealer to charge the highest price in order to safeguard himself, but if we had steady set prices he could certainly cut down on his margin of profit.

As to the east and west being good friends, we just cannot afford to be anything else; we must be good friends. I think the

Canadian Federation of Agriculture has done a wonderful job in getting both east and west to understand each other's problems, and I do hope that as the years go by we may understand those problems better and by doing so become better Canadians.

As reported at page 1560 of *Hansard*, referring to the farmers of the west, the member for Russell says:

> I hope they will not ask again for more money from the government or that they will not refuse to deliver their grain. Perhaps it is only natural to want to get another ten or twenty-five cents a bushel, but sometimes too much ambition is not good for you.

The farmers are not asking for more money from the government; far from it. What the farmer or producer has been doing is asking for steady prices based on his cost of production, which everyone will agree is fair. To the best of my knowledge he has not refused to sell his grain. But let us remember that barley and oats production is down about 70 million bushels from 1948-49, according to the figures of the Department of Agriculture, so there may not be much more oats to come, especially as hog production has increased by 20 per cent according to the latest agriculture figures. If the farmers are going to start feeding more hogs in the west, there will be less grain to come east—not because they do not want to send the feed, but because they intend to feed it themselves.

If the government, through the wheat board, can succeed in doing away with speculation in grain, feed can be sold more cheaply to the feeder in the east so that the poultry man or pig feeder would not need to pay $3.50 for a 100-pound bag of oats. Under order in council P.C. 5434, dated November 17, 1949, no dealer in eastern Canada needs to add any more than $2.40 per ton for freight to the price of feed grain. The order in council says:

> The Minister of Agriculture is authorized to pay freight assistance . . .
>
> Provided that such assistance shall be paid as follows:
>
> (a) On all rail shipments from Fort William, Port Arthur or Armstrong, the payment shall be the sum of $6 per ton when the destination is within the Montreal freight rate zone, and the sum of $6 per ton plus the remainder of the actual through car lot rail freight charges to destinations beyond the Montreal freight zone, and the actual car lot rail freight charges, but not exceeding $6 per ton, to destinations in northern Ontario to which the local freight rate is less than the Montreal zone freight rate.

As a result of that concession by the government no dealer anywhere in eastern Canada can charge up more than $2.40 for freight on the grain. The freight rate to Montreal is $8.40, but the Department of Agriculture pays $6 of that; so the dealer has only to add $2.40 to the price of feed, plus his expenses for handling.

Perhaps if I give a few points where feed is shipped, one will be able to understand how it works. Let us take the two points mentioned by the two gentlemen who complained about the expensive feed they had to buy. If we take Alexandria, Ontario, the freight rate from Fort William is 42 cents per hundredweight; that is $8.40 per ton. The government pays $6 of that. I have here, Mr. Speaker, a list of about ten points that I have taken. If we take Riviere du Loup, the freight rate is 60 cents per hundredweight, or $12 per ton; and the government pays $9.60. For St. John's, Newfoundland, the freight rate from Fort William is $1.31 per hundredweight, or $26.20 per ton; and the government pays $23.80. May I have your permission, Mr. Speaker, or the permission of the house to put on *Hansard* this table of rates for these ten points without reading it?

Mr. Speaker: Has the hon. member the consent of the house to have this document included in *Hansard*?

Some hon. Members: Agreed.

Mr. Bryce: The table follows:

Freight Assistance Payable at Representative Points in Eastern Canada

	Freight rate from Fort William (per cwt)	Freight per ton	Freight assistance payable (per ton)
Alexandria, Ont.	$0.42	$ 8.40	$ 6.00
Casselman, Ont.	.42	8.40	6.00
Montreal, Que.	.42	8.40	6.00
Compton, Que.	.58	11.60	9.20
Riviere du Loup, Que...	.60	12.00	9.60
Fredericton, N.B.	.63	12.60	10.20
Halifax, N.S.	.66	13.20	10.80
Sydney, N.S.	.70	14.00	11.60
Charlottetown, P.E.I. ...	.66	13.20	10.80
Port-aux-Basques, Nfld.	.96	19.20	16.80
Corner Brook, Nfld.	1.21	24.20	21.80
St. John's, Nfld.	1.31	26.20	23.80

I have also a table showing, for the same ten points, the figures worked out on a per bushel basis which I think hon. members should have. May I have permisison to have that put in *Hansard* also?

Mr. Speaker: Has the hon. member permission to include this table in *Hansard*?

Some hon. Members: Agreed.

Mr. Bryce: The table follows:

Freight Assistance Payable Per Bushel

	Wheat cents	Oats cents	Barley cents
Alexandria, Ont.	18	10·2	14·4
Casselman, Ont.	18	10·2	14·4
Montreal, Que.	18	10·2	14·4
Compton, Que.	27·1	15·64	22·08
Riviere du Loup, Que.	28·8	16·32	23·04
Fredericton, N.B.	30·6	17·34	24·48
Halifax, N.S.	32·4	18·36	25·92
Sydney, N.S.	34·8	19·72	27·84
Charlottetown, P.E.I.	32·4	18·36	25·92
Port-aux-Basques, Nfld.	50·4	28·56	40·32
Corner Brook, Nfld.	65·4	37·06	52·32
St. John's, Nfld.	71·4	40·46	57·12

I started out, Mr. Speaker, to try to show our eastern farmers and feeders that we farmers in the west are not charging them too much for our feed grains. The price is fair and reasonable. I have shown that there is a margin of $240 per car on Montreal and Ottawa prices. Surely grain could be handled more cheaply than that. If the dealers cannot do better than that, I suggest to them that they should set up a co-operative and get service at cost; then if you pay too much for your feed, you will get it back in patronage dividends. That is the solution to the problem: get your co-operative to handle your feed.

In concluding, I want to assure hon. gentlemen who have spoken in this debate on this subject of feed grain prices that the western producer is anxious to have the eastern trade, but he does not like to be accused of charging too much for his grain when that is not the case; and I hope I have proved to them that the producers are not getting too much. Even if the west again increases her hog production, there will always be in the west more feed grains than we can use. We realize that the eastern market is our best outlet for our feed grains, and we do not want to lose it. By order in council P.C. 5435, passed on November 17, 1949, the government has power to check the distribution of feed grain. The last paragraph of section 2 reads as follows:

> Provided that, on all grains and feeds shipped and distributed in accordance with provisions hereof, evidence satisfactory to the minister is produced to show that the sale price to consumers of such products has been reduced by and takes into account the payment of freight charges as herein prescribed.

Perhaps the best thing to do is to have the government check the eastern prices. They are paying $6 to $23.80 per ton at different points to enable the feeder to get grain at his local point at a reasonable price in order to compete in the production of hogs, poultry and cheese. I am sure that all western farmers will support the eastern farmers in a demand for an inquiry into eastern feed prices. It would clear the air and expose anyone who is taking more profit than he deserves for the services he renders in the feed situation.

Mr. J. M. Dechene (Athabaska): In asking you, Mr. Speaker, for the privilege of the floor this afternoon, I am speaking from your left for the first time in all these years, but it is not because I have changed my political allegiance.

I have no great message to bring to you, Mr. Speaker, or to this house. I admit that I do not come into the arena to do battle with the great jousters who have entered the debate already. I do not claim to have the qualifications or the ability to do so. I admit to you, sir, that I always hesitate to speak in this house, not from a false sense of humility but because I realize my weaknesses and my failings. But I do feel I am justified in seeking the attention of parliament for a short time this afternoon. I have that feeling after all these years, some thirty, as a representative of the people either in Alberta or here; and after nearly sixty years of residence in northwestern Canada, I cannot escape the conviction that I can bring to you and to the house a message from the pioneers who have done yeoman work in advancing the settlement of those great western plains and have created so much wealth for the rest of Canada.

A year ago we were asking the people of this country to decide upon the government they wanted. No one was more pleased than I was, sir, to witness the tremendous support that the people of Canada gave to this government; and what a consolation it was, to those of us who felt that the Liberal party was the party that could give good government to this country, to see such an overwhelming majority of the people give support to such a large number of representatives of that party. I was struck, sir, immediately by the ability displayed by those young and newer members, some of them not so young, but all new members in this house. I was greatly impressed by their knowledge, by their ability to express themselves as representing their constituencies and the people of Canada generally. I am prouder than ever to be a member of that group, almost two hundred, who are charged with the tremendous task of working for the welfare of the Canadian people.

Alberta, born lucky, Alberta, the best of all, I believe, sir, is sitting as it were in the lap of the Rocky mountains, making "goo-goo" eyes at the man in the mountains but remaining true to the man on the plains, because he is such a good provider. Alberta has a lot to offer to the people of this country. It is as a pioneer in the province of Alberta that I

again wish to bring to your attention, sir—and to ask for your support—the things that I believe we ought to do in order to bring more wealth out of that good country that God has made so rich.

I remember that at a convention I had the honour to address years ago—and, sir, will you let me repeat the thought that I had at that time—I spoke of the beauties, the possibilities, the wealth of the vast plains and the incredible amount of coal under our soil, the oil that I predicted thirty years ago would be found, as it is today, our great forests and magnificent rivers, our lakes teeming with fish, and our population, sir, still scant but coming from the best human stock that God has created. I said, and I repeat today, I thought that when the Lord, after having created the worlds, and thrown into space the suns, the planets and the comets, and all of those millions of worlds in limitless space, He decided on the seventh day to rest, and having cast a look upon the work that He had done He declared Himself satisfied. I am sure, sir, that at that moment He looked over the valleys of the province of Alberta, the great valleys of the Peace and the Athabasca rivers.

In speaking to you, sir, many years ago I said I believed that the present Minister of Finance (Mr. Abbott) was a coming man. After having spoken of the tremendous task performed by the Right Hon. J. L. Ilsley, I expressed the thought that the gentleman who succeeded him was one of the most brilliant young men in the political life of Canada today. That prediction has been fully justified.

The Prime Minister of this country, following the precedent established by the ex-prime minister, has recently recruited some younger members to the strength of his cabinet. As an old-timer in the house I welcome them and wish them success. I know that the new Minister of Citizenship and Immigration (Mr. Harris) will prove a great strength in this government. I have always admired him, ever since the first day I met him here after he had just come back from overseas bearing his glorious wounds received in battle on behalf of his king and country. I have always admired him as one of the typical, clever, able Ontario representatives, and I am pleased that the Prime Minister of this country saw fit to invite him to join the cabinet.

I wish the best to the hon. gentleman who has recently been called to the cabinet, the son of the man who made such an outstanding mark in the history of Canada, the late Right Hon. Ernest Lapointe, who bore the mantle that Sir Wilfrid Laurier laid down in 1919. I know that he will occupy the position in the glorious tradition established in this house by his eminent father. I hope I shall be forgiven if I do not speak of any of the other members.

A moment ago I said I was pleased that Saskatchewan was again largely represented in this house by Liberals. I never could understand the attitude of the western farmers in 1945 toward the man who did more for them than any other man has done. In 1941, in the first bad year of the great war, when things were so gloomy and everything looked as if we might see for the first time in history the British commonwealth of nations and even the powerful United States defeated, when France had been knocked to its knees, I remember how satisfied we were, how proud we were, and how safe we felt in western Canada to have the business of agriculture in the hands of the Right Hon. James G. Gardiner who sits across from me this afternoon.

My statement to the people—there were only two of us from Alberta and two of us from Saskatchewan at that time—my statement to people of Alberta, to those who asked me questions, was: "Watch Jimmy Gardiner. You can't keep him down". And they did not, Mr. Speaker. He came back here with as good and as strong a following of first-class men to support him as he has ever had. My own province has sent down support in order to carry out the great public projects that are necessary to continue the development of this northern area for which I have worked all my life, sir, to the detriment of my own health, if I may speak of myself, and certainly to the detriment of my finances. Finances do not matter very much now; I shall not need them very long. In my speech this afternoon I hope I do not go over the time limit.

A few days ago I was reading the column of one of those columnists in Ottawa who know so much. I am always surprised by the tremendous knowledge they display—some of them concerning things they do not know much about. One of them proceeded to say that members of the House of Commons seem to feel that they have to take the full forty minutes allotted to them. There was nothing wrong with that statement—except that he should have noted that some members of the House of Commons, including the hon. member for Athabaska (Mr. Dechene), rarely speak more than once in a session, while others address the house hours and weeks. Indeed, I know some members of parliament, who do not sit far from me, who never miss an opportunity to speak in the house. They speak about everything they think about. They have not had one unuttered thought.

When I decided to take part in this debate I felt I could say something different, particularly after having witnessed the coal strike in the United States, which has led to the ruin—and I say this advisedly—of coal mining in my native province of Alberta. Do not forget that. We are hearing from the Labour-Progressive party and from others in protest against conditions in our coal mines, and this at a time when everything has been done to ruin coal mining in the United States. Today the people are turning to oil and other fuels. Can we blame them?

This is simply carrying on a policy which had its beginning during the last war, when thoughts nauseous and destructive came over from Russia to poison the minds of not only the people of Europe but those in this country. They are doing their work in this great free country, where there is so much to be done.

During holy week I attended church, as is my custom. On Good Friday I said to myself, "Here was a Man from Heaven, a Man who came to teach us how to live our lives, who suffered our suffering and offered His own life to redeem free men, and to open the door of the kingdom to the inhabitants of the earth, a kingdom from which otherwise they would be barred."

I am not a preacher, far from it. But my mind did turn to thoughts about this country and our people. This is the wealthiest country in the world, with more resources than we can dream of. It seems to me we have everything. And when the Creator had created that marvellous, that incredible thing, the human mind, He said that He had finished; and all those good things left were just scattered throughout North America, and particularly in Canada. We have blessings of all kinds—coal, forests, oil, everything we want.

What do we do with all this? Do we, sir, get together to enjoy them? Do we, sir, get together to develop them? Do we, sir, get together to do anything about these resources? No. We have witnessed people from other nations across the oceans come over with their prejudices. We have listened to appeals to greed, avarice, hatred, narrow-mindedness and intolerance. I am sick and tired of all these.

I was one of those few survivors of the Liberal party in my province in 1921. That is a long time ago. The whole campaign in those days was one of intolerance. I can remember a great preacher who came from across the line to tell us that this was a fight between autocracy and plutocracy; a fight with the masses.

We were told about capitalism, and to beware of the old parties. Yes, "Beware of the old parties!" Then later, in 1935, the new gospel was preached, when the United Farmers of Alberta had their turn. Then, in fifteen years they became an old party, and a new development came along. Again we heard, "Beware of the old parties", and the U.F.A. was put out of office with that same cry. What things they promised; what things they said!

Is it proper for me to ask in this House of Commons today whether there is anything wrong with those things that are old? Religion is old, is it not? Yet, there is nothing wrong with it, is there? I said to the old and to the young in Alberta during that election campaign—and I make the same appeal today, regretting only that my voice is not loud enough to go all through this land —"No, do not despise the old." What lies beneath the white hair of those older members in the House of Commons? What lies in the breasts of all good people? The older ones have devoted their lives to their country to an extent greater than the younger. Those older people have had good experience.

What a wonderful book we have as our guide. Hon. members may send their sons and daughters to the best schools in the country—and there can be no doubt that we have great schools. We may send them to the best universities the country offers. They may come from those universities with enough degrees to fill a page. But they have not learned about that book. How often have we seen a boy come from his school, with all his knowledge and with the advantage of everything he has read, and with the intelligence to reach the heights, and to achieve success for himself, his family and his country, only to find himself faced with a situation he does not understand. He does not know how to face it because there was nothing in his books about it.

Where does he go? He goes to dad; the daughter goes to mother. His dad may not be able to read; but he and the mother have read that book. They have lived and struggled and they know what to do. They say, "My boy, go ahead; here is the way to fix it." Today I appeal to the young people to withstand those appeals to hatred, intolerance and prejudice, religious and otherwise. I detest and abhor such appeals. I appeal to the young homesteaders on the shores of Cold lake for instance in the northern part of my constituency who have been approached by these splinter parties, who are responsible for

their present uncertain state of mind. They urge them to look at the big money being made in Montreal and elsewhere.

That is not the appeal I make to them. I say to the hon. members of the House of Commons and, through them, to the people of Canada, that a man developing a homestead away up there on the fringe of the northern section of our country is performing just as useful a task as is the president of the Bank of Montreal. The man up in the wilds attending his traps is just as useful, because he is part of the great machinery of democracy. We hear from these small parties appeals to shallowness and intolerance. But they should not monkey with the democratic machine; it is easily put out of order.

Every cog and every wheel is important. I have no doubt, Mr. Speaker, that when you were a boy you did what I did: you took a clock apart to see what made it tick—and then you had some wheels left over, and the clock never worked again. In a great democracy every wheel and every cog has its place. The trapper, the fisherman, the farmer, the rancher, the small merchant, the coal miner, the labouring man, each has his place. He belongs and if you put him out of that place then the machine ceases to operate.

May I be allowed to take up the time of the house again in making an appeal I have made before. I am not at all satisfied with the results of my efforts in drawing attention to the need of railway construction in the northern parts of Saskatchewan, Alberta and British Columbia. I know it is not popular to advocate things of this kind and we shall be told by Montreal that there is no money. Let me place before the house some of the aspects of this situation. Let me say to the directorate of the Canadian National Railways that we are not asking for any branch lines. If there is any possible way of waking them up in Montreal, I want to do it. I ask the privilege of again taking up the time of this house because we are bound that something shall be done.

I can recall that plans were made for this construction when I was a local member. Many years ago the people in the north country thought they were going to get a new artery of transportation which would connect with Winnipeg and the head of the lakes at the east and with the Hudson Bay railway, thus giving them two routes over which to send their surpluses to the markets of Europe. There was also to be an outlet to the west coast through the country represented by the hon. member for Cariboo (Mr. Murray).

This is not a new plan. We are not asking for a branch line. What we are asking for will not cost the people of this country one dollar because there are tremendous resources in this north country. I understand that the new president of the Canadian National Railways is soon going west and I hope he will find it possible to visit that part of the country and not just stay around Edmonton and the cities. He should see the vast possibilities that are in the north country, the great resources that will make this line pay a profit for the benefit of the people of the whole country.

I would not be taking up the time of this house if I were not absolutely convinced of the justice of the representations I am making this afternoon on behalf of these people. Let me say to the Canadian National Railways that it is not a question of money. We were told that there would be no money for the building of these branch lines, but it is not a question of money. It is a question of keeping a promise and paying a debt of honour. Surveys were made of a line from Battleford to the country which I represent, to be continued then by the Canadian Pacific along the north shore of the Beaver river. This was to be a joint undertaking of the two great transportation companies. The Peace river country was to be joined to the Northern Alberta railroads which have recently been acquired by the two companies.

Plans were prepared and tenders called for, at least for the construction in the part of the country which I represent. A beginning was made at both ends. The Canadian Pacific built west from Prince Albert and the Canadian National was building from Edmonton north-easterly, and they were to meet at a point some twenty miles east of the boundary of Saskatchewan. The Canadian Pacific had running rights over 55 miles of the Canadian National line until they reached Cold Lake.

As I say, contracts were let and millions of dollars were spent. As I stated before in this house, in 1932 the Canadian National paid a large sum to the contractor to be permitted to cancel his contracts. Thousands of men were looking for work along the line right through to the north.

The other day the hon. member for Red Deer (Mr. Shaw), referring to what I said last fall, asked why the Liberal government had not done anything from 1935 until 1940. The hon. member is a schoolteacher and he should be possessed of some information. He knows that in 1935, 1936, 1937 and 1938 the government of Alberta defaulted on their obligations to the extent of over $20 million. A blot was placed on the escutcheon of Alberta which it has taken decades to erase.

An hon. Member: Terrible.

Mr. Dechene: If this schoolteacher knows anything at all he should be the last man to refer to that period when the chief whip of

his party went to jail. Then a gentleman was brought in from Great Britain to try to convince the people of Alberta that there were possibilities in the plan, and he also went to jail. He was wise enough to beat it immediately he got out. I was delighted to see that this government had taken steps to make him pay income tax on the money he got from the province of Alberta. It was real money he got, not Social Credit money or certificates.

These people went to jail because an article had been published in Edmonton which named the heads of certain large financial institutions and said that they were strangling the people. They named the late J. J. Duggan and the late Hon. Senator Griesbach, who served in this house, and others. They were said to be the alleged leaders of a great autocratic movement and therefore should be done away with. They actually counselled murder and liquidation of the financial leaders in Alberta.

I was right there and I know what I am talking about. I challenge any one to deny it when I say that when Mr. Unwin came out of jail to resume his seat in the legislature there was a snake dance on the floor of the chamber led by Aberhart.

Mr. Low: On a point of order, the hon. member for Athabaska (Mr. Dechene) is now telling an absolute falsehood because it did not happen as he suggests. I was in the house at the time.

Mr. Dechene: I want to make it clear to the hon. gentleman that I am not taking back anything that I saw myself. I sat in the gallery when the snake dance took place.

Mr. Low: On a point of order, I say that the hon. member for Athabaska is telling an absolute falsehood.

Mr. Dechene: I am not retracting one single word. If the hon. gentleman wishes to go further with this I am ready to repeat it outside the house. I was present there and I saw what happened. I never spoke about this before and I would not, except that the hon. member for Red Deer, in his inimitable style of trying to substitute noise for argument, took me to task and asked why the Liberal government had done nothing from 1935 to 1940. He knew what happened when his government was defaulting.

In my own town of Bonnyville many of the merchants and citizens had a few dollars invested in provincial certificates. We tried to collect these funds to build a school and when these people tried to get their money they found that they could not even collect from the provincial government of Alberta.

Mr. Blackmore: What is the Alberta government doing now?

Mr. Dechene: I do not want to be unkind, Mr. Speaker. It is always easy to reply to any argument by saying that it is true or false. The hon. member for Red Deer is a fine gentleman and I like him. Nevertheless he reminds me of one of Aesop's fables. One has the impression of a first-class gentleman, and there is no doubt about that. He reminds me, however, of the Aesop fable of the ass which stole the lion skin and scared the countryside until he brayed.

Mr. Shaw: We merely consider the source of such remarks.

Mr. Dechene: Mr. Speaker, the hon. member for Red Deer went on to quote an editorial supposed to have been published in the Calgary *Albertan,* which he described as a great Liberal organ. It may be; I do not know because I never read it, but if the editorial contains what he says it did then it is just a rag. He quoted the editorial as stating:

> It was during the Borden administration, when the Alberta government was Liberal and so was the Senate. The Alberta government, it seems, wanted to give the Shell Oil Company exclusive oil rights for the whole province in return for a payment of $5,000. But it didn't have the power to do so, so it asked the federal government to give it that power.

I was well acquainted with the premier of the province of those days, a man who later came to Ottawa and served as minister of the interior, a man who represented his country with dignity and with honour, a man whose honesty and integrity have never been questioned, a man who never heard about any such thing. Can you imagine men like the Hon. Archie McLean, the Hon. John R. Boyle, or the Hon. J. L. Cote, trying to sell the oil rights of Alberta for $5,000? The thing was so ridiculous that I did not reply to it at the time.

I know what happened at that time. Representations were made by representatives of the Shell Oil Company—I am sure the hon. member for Temiscouata (Mr. Pouliot) will remember the instance—to try to get the odd section or portions of land in the Northwest Territories. We had nothing whatsoever to do with it at Edmonton. Nobody else was ever consulted. Talk about a falsehood! There is one that the hon. member for Red Deer peddled on the floor of the house to try to soil the reputation of men who served in better years and who gave the best of their lives to their province and their country.

Mr. Pouliot: The hon. member is perfectly right.

Mr. Dechene: I know you know all about it. It was up in the Northwest Territories and we had no jurisdiction in Alberta. We could not do anything even if we had wanted to. Twice it was denied in this house when I said, Mr. Speaker, that at least a royalty should be paid to the owners of the surface rights when oil is found under their land. In that same speech the big voice from Red Deer proceeded to refer to what has been paid by way of damages to some farmers for entry on their land or compensation of it. That was not initiated by the government of Alberta. The law of recompense and reward or compensation for using surface rights for public works, roads, railways or any other communication is as old as this House of Commons. A man cannot stop a railway company from proceeding over his land, but if he is not satisfied with the price offered he goes to arbitration and the price is fixed for the land used. That is what is happening in Alberta in the oil game.

We are told that this or that man received $1,100. I may have said "land" last fall and of course that was picked up right away, but I meant oil rights. Just across the line from this certain man the oil rights were sold a few days later for $1,125,000 in cold cash. Who gets this money? Not the farmer. The hon. member quoted further from the editorial in that same Calgary rag as follows:

> It is unfortunate that a man of the stature of Mr. J. M. Dechene, Liberal M.P. for Athabaska—

I thank him for the compliment.

> —in northern Alberta, should be so far off the beam on this matter of oil royalties. In parliament, the other day, he said the oil belonged "to the people, not to the provincial government," . . .

Then the editorial went on to ask whether the provincial government was going to be deprived of revenue for the sake of a few farmers in the north country. This is great reading for the hon. member for Peace River (Mr. Low), where oil can and is being found almost everywhere. It is great reading for the people of the constituency of Battle River (Mr. Fair), the people of the constituency of Wetaskiwin (Mr. Thomas), and for all the people from Red Deer north. The farmers are told that they are not going to get their rights, that they are not entitled to any benefit for the wealth that God has put under their soil, because a few people think the money should be spent to build roads around Banff and other parts of the province.

I stand on the most solid ground because I made a motion to that effect. Some thirty years ago before any oil was found I saw that there was great wealth in the province of Alberta and I made a motion asking that we should return the mineral rights to the owners of the soil. So much has been alienated since that it cannot be done now. They are finding wealth worth $1 million, $500,000, $100,000 every day throughout that district and right up into the Northwest Territories. I want the farmers, the men who went there with their wives and children, the men who built the schools and conducted the municipalities, the men who built the roads, chopped down the timber and trees and developed the land, to receive a royalty. If they are not entitled to a royalty on the wealth that God has placed under their feet then there is something wrong with the mentality of the governments of this country.

I wish I were a younger man. I would be willing to wage a campaign on this issue, but not for political purposes. I have not much to do now with politics. I know my number will soon be up, and that is the reason why I thought I might take a little longer of your time. I have said before and I want to repeat that, with the exception of the holy orders, there is nothing more sacred than the life of a man who devotes his best to the service of his country. There is nothing more noble in a democracy than to represent the people and to do everything in one's power in order that the people may be more prosperous and that one may be of some benefit to them.

As I speak to you this afternoon my thoughts go to the farmers of northeastern Alberta for the reason that Providence has not smiled upon us in the last two years. If it were not for the beneficial laws administered by the Minister of Agriculture (Mr. Gardiner) there would be actual suffering because last year's crop was extraordinarily bad. Yet our farmers can carry on. They are now preparing the seeds for another crop, and my last word is a prayer to Providence to bless their efforts and send the usually abundant rains of northern Alberta so that the land may smile again.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, in reviewing the budget for 1950 one cannot help being struck by two very remarkable features, particularly when comparing it with budgets which have gone before.

The first feature is the very material change in outlook on the part of the government with respect to tax reductions and revenue requirements for the future, as compared with the forecasts in the 1949 or election budget; and, secondly, the billion dollar complex that now dominates the thinking of the government and its ministers. As to the first, we remember the rosy optimism and sweeping generosity with which the tax cuts were

made in the budget of 1949, a generosity and optimism which seemed to take no thought for the future or, if it did, took thought only as far as June 27, and contained no suggestion that after that date there would be stern realities to be faced. Indeed, the Minister of Finance (Mr. Abbott) and the whole cabinet seemed like a man on a drunken spending spree. This is not such a far-fetched statement as it may seem, because in fact the government had been saving up for this election spree for some time. One has only to remember the budget presented by the same Minister of Finance in May, 1948. At that time employment and revenues were at approximately the same high levels as in 1949; yet the tax reductions were doled out, to say the least, with a cautious hand. Of course in 1948 the minister knew when the election was going to be held; and of course, in spite of his lip service to the theory of cyclical budgeting, he could not resist the temptation to save up one year, then give away what he had saved up for an election budget in the following year.

Therefore in 1948 we find him uttering words of caution; we find him referring to the heavy responsibility with which the people of Canada have entrusted him, and to the danger of approaching his budget problems in a short-sighted manner. If we look at page 4063 of *Hansard* for May 18, 1948, we see that he told us in very solemn tones, and I quote his words—

> We must look further into the future than this year.

Most of us at that time thought the minister was looking into the future solely with concern for the fiscal policies of Canada as a whole. However, in the spring of 1949 we found that the future the minister had in mind was the future of the Liberal party, and the election requirements of that party. When we came to 1949 we found that the future requirements of Canada, which in 1948 had led him to adopt such a solemn and cautious tone, were thrown out the window in favour of the political requirements of the government. In 1948 the minister said, at the same page of *Hansard*:

> Now is the time to lay the foundation for employment budgets in future, while fighting inflation at present.

At that time he should have been saying, as in fact he really had in mind, "Now is the time to lay the foundation for election budgets in future, while hiding the facts at present." So in 1948 the minister saved his funds for the election budget of the following year, and in 1949 the government went on its spree. Now, in 1950, it is nursing its sore head. We had a black budget in 1948; we had an election or spree budget in 1949; now in 1950 we have the hang-over budget. This year the government is like a man nursing a sore head, and the Minister of Finance is the solemn chemist behind the counter doling out the aspirins.

It is no wonder the government finds itself with this hang-over this year. All the ministers seem to have fallen into the habit of spending millions and billions, then waking up the next morning faced with the painful reality of having to raise the money to meet their expenditures. A man under the influence soon gets a billion dollar complex, only in this case the influence is not that of liquor but of power. The billion dollar complex is a serious matter, because unfortunately it is not their own but the country's money that the government is spending. So we have the Minister of Finance telling us this year that none of his successors will ever be able to contemplate a budget of less than approximately $2,400 million a year. We have the Minister of Trade and Commerce (Mr. Howe) graduating from the million dollar mentality to the billion dollar mentality. It used to be "What's a million?" This year it is, "What's a billion?" The only people and the only industries that count with this government after its fifteen years in power apparently are those whose revenues run into the hundreds of millions. No longer is the little man or the little industry of any apparent importance to the government. We remember that the other day when the Minister of Trade and Commerce was presenting his review of affairs for the year and discussing the trade prospects of Canada, he brushed aside the whole apple industry because, he said, "We are talking billions and my hon. friend talks about apples." You see, Mr. Speaker, the total turn-over of the apple industry is less than $100 million, and apparently it does not count in the scheme of things of this government, which does not speak of anything less than billions.

Turning to a more detailed consideration of the budget as we find it this year, again two salient features emerge from an analysis of the minister's remarks. The first is that in the opinion of the Minister of Finance we have reached rock bottom in the reduction of expenditures. Arising out of this is his conclusion that the only way to obtain tax reductions at the present time is to eliminate some essential services. The minister said, at page 1215 of *Hansard:*

> It is only by reducing government activities or social service payments that any major reductions can be made.

But the point of departure between the government side of the house and this side is that whereas this inescapable conclusion seems to produce an atmosphere of defeatism

in the minister, we on this side are convinced that in fact reductions in expenditure are possible and thus tax reductions are possible without interfering with any vital service, such reductions being made by a pruning of non-essential and non-productive government activity. Indeed, it seems that the minister's defeatism in this respect is actually charged with most unfortunate consequences, because he has made it very clear in his budget speech that the official attitude is that expenditure cannot be further reduced. From now on, therefore, every minister, every government official will be encouraged to relax and conclude that no further inefficiency or duplication need be sought out and eliminated, that the seal of official government approval is placed upon swollen and top-heavy expenditures of $2,400 million a year. To the taxpayers of Canada who have to produce the money to meet those expenditures, however, such a defeatist attitude is entirely unacceptable; and it is certainly wholly rejected by the official opposition.

The other and even more alarming salient feature of the minister's budget address arises from the fact that if we accept his statement as final we must come to the inescapable conclusion that increases in taxes in the immediate future are inevitable. To a people suffering from a cost of government out of all proportion to the services the government renders and the productive value of those services, to a people labouring under a cost of living which has increased by six points in a year over a level already too high, such a conclusion and such a forecast are entirely unsupportable. Fortunately an analysis of the facts indicates that the conclusion and forecast are also totally inaccurate.

The Minister of Finance sees no room for leeway. He sees no possibility of allowing for tax reductions by a reduction in non-essential expenditures. To him the only prospect is increased taxation. At page 1216 of *Hansard* he said:

> In considering proposals for further major increases in our expenditures . . . we must be ready to balance them with increased taxes.

And again:

> If the expenditure is worth while, it should be provided for by new or increased taxes or charges . . .

I ask the house to consider the implication of those words in the light of the minister's earlier statement which appears on page 1215:

> As already announced, there will be another conference with the provinces this fall, and whatever may be the eventual outcome of that conference, I think it is fair to assume that its decisions will not result in a lessening of the net burden on the federal budget.

[Mr. Fulton.]

There the minister very deliberately forecasts the possibility of substantially increased expenditures being agreed to this fall. The only and inescapable conclusion from this carefully-worded speech is that the minister regards higher taxes in the very near future as inevitable. It does not seem to the minister that we have arrived at the point where he should say to the house and to the country that the time has come when we have to choose between higher taxes or less government spending. He has said that we cannot have more spending without more taxes or a reduction of services, but he has not taken the other logical step and said that we cannot have less taxes without less spending and he has not taken the next step and said, "And we can have less spending."

We can, Mr. Speaker, have less spending. While I totally reject the minister's assumption that higher taxes are inevitable, I agree—as I think we all must—that the tremendous twofold problem facing this country and facing the Minister of Finance (Mr. Abbott) is this: How are we going to reduce taxes at the present time; or, alternatively, how are we going to provide for increased expenditures which will arise out of the increased social services which the government is now contemplating, and for the increased activities in developing our resources, without a substantial and unacceptable increase in taxation?

A consideration of this problem prompts us further to agree with the minister that these things cannot be done and increased taxation cannot be avoided unless there is some reduction in expenditure. But that is as far as we can agree with the minister. I ask you, Mr. Speaker, and I ask all members of the house to consider whether they can seriously support the proposition that, with expenses running at the present time at the rate of $2,400 million a year, there is no room for reduction in expenditure without actually interfering with essential services.

The minister, of course, has taken the definite position that such reductions are impossible and he has in fact challenged the opposition to show where such reductions can be made. I am sure that he intended that challenge to be taken seriously. I at any rate take it extremely seriously because I believe that it is only by meeting that problem and finding where reductions can be made that we can reduce expenditures and thus relieve the tax burden on the Canadian people. For my part I assume in the same way that the minister himself will take seriously our efforts to show where reductions can be made and that, if the proof is given, or if concrete suggestions are made, he will take them in that spirit and that all

members of the house will take them in the same spirit so that we can, as members of parliament and as servants of the people of Canada, together and in co-operation, set about reducing this enormous burden which is placed on the people of raising the money to meet the current level of expenditures.

Unfortunately, we are denied one method by which we might be able to arrive at suggestions for economy. I refer of course to the requests which have been made for committees to consider the various activities of government departments. I really believe that such committees reviewing not so much—or at least not only—the policies of the various departments, but reviewing the details of the proposed expenditures of the departments, could not fail to find places where there is room for a substantial reduction in those expenditures. For the time being at any rate this method is denied to us, although I hope that the government will reconsider the matter before another session. because I believe the seriousness of the problem and the urgent necessity of reducing expenditures warrant the trial of this method.

Here perhaps one should just refer to the statements made recently by the Auditor General in the other place when he said that the volume of government business had grown to such an extent and is of such complexity that the public accounts—that is, the estimates of the current year—are now placed before parliament in such a way that it is impossible to get a clear and concise picture of just what we are about. If it is impossible to get that picture, then certainly one is greatly handicapped at the outset in trying to make any concrete suggestions for reduction in expenditures.

Mr. Abbott: My hon. friend is aware of the fact that the public accounts and the estimates are completely separate.

Mr. Fulton: I am aware of that fact. I am using the phrase "public accounts" here in a general sense to describe the public accounts of Canada, the revenue and expenditures of the Dominion of Canada.

Mr. Abbott: Those are in the public accounts; that is correct.

Mr. Fulton: We must therefore at the present time find methods other than this committee method, and I intend to suggest certain specific methods by which expenditures can be reduced.

Here I should like to pay tribute to the work of the treasury board. Treasury board is not always popular, but I believe that the country owes a large debt to it because under the system which the government insists upon following at the present time, when committees to review estimates are denied, the treasury board is virtually the only watchdog with any inside knowledge which stands between the people of Canada and an even greater level of expenditure than that which we now have.

The minister has in the past described how treasury board does its best to keep expenditures to a minimum. We would not be grateful if we did not express our appreciation of this work. But under the present system and with the present volume of expenditure and the present competition between departments for funds, I do not believe that treasury board can do the job alone. One has only to consider the course of expenditures over the past few years. Each minister naturally enough believes that his own department is the most important one—and the same is true of deputy ministers—and that unless he gets all the money he possibly can for his department, he will not be doing a good job for his department and for the country. There is therefore tremendous competition for increases in grants to the departments when they are preparing and presenting their estimates. I am quite sure that the time arrives when the pressure is such that even with treasury board standing in the way as doggedly as it can, yet with the department pressing for the grant to be made or the expenditure to be authorized, treasury board goes as far as it can go but finally says, "All right; you can have what you had last year but no more."

That is probably a last-ditch stand and even that is a great service to the people. But we need a far more detailed analysis of our problem than that. We need an analysis not so much of how to prevent expenditures from rising as of how to bring expenditures down—how to reduce expenditures from their present level. What is needed is someone with authority to apply the axe; I do not mean someone to apply the axe indiscriminately but someone to say which expenditures are really essential and which are not.

I recall that in the budget debate of 1947 I suggested that such a method might be found in the setting up of a budget committee, a committee of experts whose recommendations would be of a substantial nature, with authority to examine the estimates before they are approved and presented to the house, to say which items are essential and which are not. I will not repeat at this time the details of the suggestion which I made then, but I repeat the suggestion; and

I believe that the advantages which were outlined at that time would still follow.

Mr. Abbott: Will my hon. friend permit one question? I have forgotten his suggestion. What did he think should be the composition of such a budget committee? Would it be made up of officials or members of parliament?

Mr. Fulton: I suggested two or three accountants, probably, and a couple of first-class engineers who might be drawn from outside the government service altogether. I would suggest that it be kept within a small compass of people who are expert in their fields, such as expert accountants and expert engineers.

Mr. Gauthier (Portneuf): More expense.

Mr. Abbott: I want to be clear on this matter. Would you delegate the determination of questions of policy to such a committee?

Mr. Fulton: No, indeed I would not. If the minister has heard what I said, he will know that I suggested that this committee would be a committee of experts to make recommendations, whose recommendations would carry substantial weight and whose job it would be to review the estimates before they were presented to this house for approval. If the minister is interested, and I hope his question is asked in that spirit—

Mr. Abbott: I was asking for information. I had forgotten the details of the suggestion.

Mr. Fulton: I am glad to have the minister's questions, but I do not think it is necessary to repeat the details here. They will be found in the budget debate of 1947. I do not intend to repeat the details, but I repeat that the advantages would still follow, namely, that such a committee would look into the question of what expenditures are really necessary bringing to this question the freshness of an outside viewpoint. It should probably be composed of men outside parliament so that the minister would not feel, "Well, here is the opposition getting a look-in in advance, and all they are asking for is that the opposition have some say in compiling the estimates". That is not the purpose of my suggestion at all. Such a committee would ascertain which expenditures are really necessary, would help to eradicate duplication, waste and extravagance, and would be in a position to recommend, as between proposed expenditures and proposed increases, which ones should be granted, which ones would be more advantageous to the country, in the long run, as revenue-producing projects with a view to the ultimate increase of our gross national revenue.

There are further concrete proposals which I wish to make now. An examination of the detail of the estimates cannot fail to suggest that we are spending far more than is absolutely necessary under certain headings. I have selected what—did I hear my hon. friend ask a question?

Mr. Sinclair: Which one?

Mr. Fulton: I am glad he asked the question, which one, because I have selected three typical ones. I am not suggesting they are exclusive because in fact I think they are typical. I think that any further inquiries along this line could elicit other useful information and establish that there are other expenditures that could be reduced. The three that I have chosen are: first, publicity, advertising and public information services; second, sundries, and third, travelling expenses. Here, Mr. Speaker, again I emphasize that we are faced with the necessity of making a choice, and the choice, as I have said, is not between whether we are going to have increased expenditures or increased taxation, the choice as I see it is between, on the one hand, continuing to spend at the present rate with the absolute certainty that that rate will increase, and, on the other, reducing expenditures so that we can in fact reduce taxes. If we approach the problem with that choice in mind and if we make the choice, then I certainly suggest to hon. members, and I am sure they will agree with me, that the astounding figures which we are spending, or proposing to spend this year under these three headings, can be substantially reduced.

Under the first heading of publicity, advertising and information, we find that the government proposes to spend this year a total of $6,064,775, an increase of over $266,000 over last year. There are 62 separate items in the details of the estimates for government publicity and information services. And these are just the details that I have been able to pick out, the details which are shown in the estimates. I refer, for instance, to the Department of National Defence, where I could not find in my somewhat rapid survey of the estimates any separate items for publicity. And yet we all know, for it is an established fact, that that department spend large sums on public information services. In this and the following matters I am not suggesting that none of these expenditures is essential or necessary; but I am certainly suggesting that we do not need to spend $6 million on government advertising and publicity. I believe if we make the choice I referred to we can get along on half that amount. I believe if we carried further on to the next logical

step we would say, we are going to get along with half that amount, and that is all we are going to give you to do the job with.

In this connection I would refer to the suggestion I made in 1947 in dealing with the same matter. If it is stated, as it has been stated, that some information with reference to what the departments are doing is essential—and I am prepared to accept that statement—I suggest that the government should consider setting up a bureau of publicity in connection with the work of the various departments to control that competition between departments which inevitably and invariably, in government, results in increasing expenditures. In exactly the same way as we formerly set up the bureau for translations and the bureau of printing, whose objects were to reduce the over-all expenditures under those headings, so I think we can set up a bureau of publicity, give it half the amount we are now being asked to vote, and tell it to do the job—and we would still have all the government publicity we need, and more.

Next we come to the heading of sundries. These are variously described in the items as "sundries", "miscellaneous" or "contingencies", or any one of a variety of equally delightful and vague general terms that one would care to mention. What they amount to, Mr. Speaker, is nothing more or less than a sort of grab bag or petty cash account for the various departments. It is the loosest and sloppiest method of accounting that I have ever seen. I know it is true that all bookkeeping systems, all office systems, require an item for petty cash; but you and I, Mr. Speaker, run our books on the basis of keeping the amount in the petty cash down to the very minimum. What the government does, however, amounts in a sense to an open-end or blank-cheque spending account. We find in the estimates for this current year that the government proposes to spend under this heading of sundries no less than $17,586,227. There are 281 separate items in the detail of the estimates for sundries. Again I am not suggesting that no sundry accounts or petty cash accounts, if you like, should be permitted, but I do say that it is the most careless method of bookkeeping, when it is totalled up to $17 million over-all, and we can do our accounting better than this. I suggest that we can get along with not more than half this amount for sundries.

I should like to refer Your Honour to some of these details in the departmental spending on sundries, as I have gathered them from the estimates. They are as follows: for the Department of Agriculture the total this year is $198,000. I am just giving the round figures at this time. Citizenship and Immigration, $242,000; Finance, $219,000, a nice petty cash amount for the Minister of Finance and his departmental officials without any necessity for accurate accounting—

Mr. Abbott: Wait a minute; my hon. friend is going a little far there. He is making a pretty—

Mr. Fulton: Without any necessity for accurate accounting to this House of Commons as to the heading under which—

Mr. Abbott: The house is entitled to ask for every detail of that amount and to get every detail of it.

Mr. Fulton: And I can assure the minister that we certainly will ask for it.

Mr. Abbott: That is what you should do. That is what I have been suggesting the opposition should do, and that is why I have been listening with a great deal of interest to my hon. friend's speech.

Mr. Fulton: It will take a lot of explaining why we need to spend $17 million on sundries when we could get along with half of it. Remember, sundries is not the only general item in the estimates. There are such items as printing and stationery, telephone and telegraph, office equipment and all these other items. Then at the end we find this huge open petty cash account for sundries. Then we find other departments such as the Department of Transport with an item of $703,000 for sundries and so on.

The third heading to which I referred is that of travelling expenses. Again I should point out, Mr. Speaker, that in all these matters I have taken only the items which are revealed in the details of the estimates. From what I have been able to gather I would say that there are many other items under all these headings which are not shown as such in the estimates. I have taken only those that are shown. To come to the travelling expenses which are shown, one finds that there are 270 separate items in the details of the estimates for a total of $25,914,000, or nearly $26 million for travelling expenses. I should point out that one of the largest is in the Department of National Defence where you find that travel and transportation, freight and express are lumped together. Even assuming that only half of the total of $14 million shown in the Department of National Defence for this item—assuming that half of that—would be straight travelling expenses, that would still be $7 million, so that the total for travelling expenses on that assumption would still be about $18 million.

The total expenditure under these three headings alone—publicity, sundries and travel expenses—shown in this year's estimates amounts to $49,565,052. Again let me say that I am not suggesting immediately that this is all unnecessary. Unfortunately we have been refused committees, and we are therefore not in a position to know what is necessary and what is not. But I do say that it is not all necessary, and that the estimates will be subjected to the closest possible scrutiny in committee of the whole and unless satisfactory explanations are given in detail as to the necessity for these amounts then reductions will be moved.

I would also say without any hesitation that in the absence of explanations, which at the moment I cannot foresee, we could, if we were determined to do so, get along in this country with only half of that expenditure under these three headings alone. If we did that we would save a total of about $24,500,000. In connection with the publicity item, as I have said before, some may be necessary. A good deal of travelling may be necessary. Some discretion to the departments under the heading of sundries or contingencies is probably necessary. But in connection with publicity we could save money by setting up a publicity bureau, give it half of what we are spending now, and do the job with that half. We would have all the publicity we need. And so in connection with other items we could get along, if we made up our minds to do so, with about half of what we are spending now.

I should like to give the house some examples of departmental spending on travelling expenses. These are the figures:

Department of Agriculture	$2,148,000
Department of Citizenship and Immigration	750,000
Department of Fisheries	676,000
Department of National Health and Welfare	774,000
Department of Transport	1,038,000
Department of Veterans Affairs	1,083,950

These are only some of the departments picked at random. So I put forward the suggestion, with the utmost seriousness, that we could reduce our expenditures this year by $24,500,000 if we only cut out half what is proposed to be spent on these three items. I hope the Minister of Trade and Commerce (Mr. Howe) will not tell me that this is an insignificant saving when we are dealing with $2,400 million; I hope that even his billion-dollar mentality will appreciate the fact that a reduction of this amount, or indeed of one million dollars, will directly affect the amount of taxes paid by every Canadian.

A reduction of $24,500,000 is a most substantial item. I would point out that it is as much as the total reduction given by the Minister of Finance (Mr. Abbott) in his 1948 budget, on the income tax and sales tax reductions combined. To put it another way, $24,500,000 is as much as the total reduction in the retail purchase tax, gasoline tax and amusement taxes combined in the 1948 budget. Those were substantial reductions—at least so the minister said when he made them in 1948; and a reduction of this amount this year would bring a very substantial measure of much-needed relief to every Canadian taxpayer.

In conclusion, Mr. Speaker, let me emphasize that we are not setting ourselves up in judgment in saying that this or that expenditure can be eliminated entirely. What I am saying is that here are three typical items the expenditure of which does not of itself and by itself produce revenues for the Canadian people. I am suggesting that substantial economies, at least 50 per cent, could in most cases be made if we decided that we must make them, without in fact hurting the national economy or producing inefficient government service.

I believe the time has come when we must choose: we must face the decision, do we want more publicity or more pensions? In fact we must face the decision: do we want to spend as much on travelling expenses as we are now for government officials, or do we want to reduce taxes? Do we want a $17 million petty cash account or sundry account or do we want to cut it substantially and leave leeway for some more productive expenditure, or for further reductions in income tax in the future?

I believe we should decide in favour of the reduction in expenditure and the things that it will make possible by way of tax reduction. I believe the estimates for this year should be reduced accordingly; and if the Minister of Finance is serious, as I am quite confident he is, in his suggestion that the time has come to make these decisions, then I hope that he will agree and will lend his support to our efforts to bring about these savings.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, I do not propose to follow the line pursued by the previous speaker, except to say that while I agree with him that we need to be careful about the money we spend in the country, I would say that it would be a good thing for him to give a little attention to this general question: Canada since 1938 has more than doubled her production. She now is producing by way of $16 billion worth of goods a year; and she expects to be able to produce $16,250 million this year.

Judging by Canadian resources, I find it difficult to believe that we cannot double our production in the next twelve years, as we did in the last twelve. If brilliant young men of the type represented by the hon. member who has just taken his seat would devote their attention to the question of how to turn that full production into well-being of the Canadian people, they would not be cheeseparing, cutting off a little here and a little there. They would really open their eyes as to what could be in the future in a country so abundantly blessed with resources and the ability to transform those resources into the goods and services necessary for mankind.

Mr. Fulton: That is another side of the same problem.

Mr. Blackmore: I am not finding fault with what the hon. member said, but I am urging that we do not fall into an attitude of blue ruin, such as afflicted the country in the days of the Conservative regime of R. B. Bennett. If you once start that, you never stop it. You just go down and down. Let us concentrate our attention on the tremendous productive capacity of this country.

Mr. Ferguson: Why don't you blame him for all the world's ills?

Mr. Blackmore: I have said more to correct the world's ills than the hon. member has in all the time he has been here.

Mr. Ferguson: You are always talking about money; that is all you talk about.

Mr. Blackmore: I talk common sense, while the hon. member never does.

Mr. Ferguson: You would not recognize it if I did.

Mr. Blackmore: Having said that, in a friendly spirit, I should like to turn to another important matter. I hope the hon. member does not make any extravagant remarks he will not be able to back up, because I am pretty good at backing up what I say.

Mr. Ferguson: In your own way.

Mr. Blackmore: Yes, in anybody's way, any kind of argument you want to use—intellectual, or anything else.

Mr. Ferguson: We have heard you before.

Mr. Blackmore: Then, we shall turn to another subject.

Mr. Ferguson: Change your subject.

Mr. Blackmore: Widespread interest has developed in an event which took place about 8 p.m. on the night of April 12 in the Quebec city of Shawinigan Falls, with a population of about 25,000. All parties concerned will desire that the essential facts be set down where they can be preserved for all to see, so as to avoid distortion of any point whatsoever in the future.

The implications and repercussions of this occurrence will disturb the peace of mind of any person anxious to make provision for peace, order and good government in Canada in time to come.

In order to set down these facts as dispassionately as possible, I believe it would be well to place on record the report appearing in the Montreal *Daily Star* of April 13, 1950. This newspaper is published in the same province, and not far from where the incident occurred. It states:

> Shawinigan Mob Wrecks Christian Brethren Chapel
>
> 1,500 Rioters Terrorize Protestant Sect Group And Tear Up Bibles and Prayer Books
>
> An angry, gesticulating, taunting mob which ranged in size throughout the evening from 200 to 1,500, last night completely smashed the meeting place of a Christian Brethren group in Shawinigan Falls, keeping 27 persons penned up in an upstairs flat for two and a half hours.
>
> Shawinigan Falls is 21 miles north of Three Rivers, Quebec, which is 76 miles east of Montreal.
>
> All furniture, including the pulpit, was broken in the store which was used as a chapel by the small Protestant sect, and bibles and hymn books were taken into the street, torn to shreds and scattered in the gutters.
>
> The mob was composed of men, women and children. Stones, empty bottles, ice and even eggs were thrown into the hall for an hour from 9 to 10 p.m. The plate glass windows of the store were smashed. At 10 p.m. part of the crowd made their way into the chapel and began to demolish everything they could lay their hands on, including the electric fixtures.
>
> Building Was Used For Regular Services
>
> The building which was assaulted is located at 32 Fourth street, and is used regularly for Sunday and week-day meetings by the eight families who compose the Christian Brethren Church in Shawinigan Falls.
>
> An Evangelistic sect, the Christian Brethren have twenty congregations scattered throughout the province. They have no ordained ministers, but are led by "evangelists"—laymen who are called to the work but who are paid no salary.
>
> According to Benoit Mongrain, a wheel-chair paralytic, who owns the building, about twenty brethren were in the "store" chapel when the stoning began. Several were women.
>
> Although he is not a member of the sect himself, Mongrain invited the group to take shelter in his tenement home above the store. There the brethren group and the Mongrain family, composed of Mr. and Mrs. Mongrain and their five children, were held virtual prisoners from 9 to 11.30 p.m.
>
> At that time a detachment of the Shawinigan police escorted the brethren out of the Mongrains' flat.
>
> The brethren were led by Evangelist Paul Boeda, who could not be reached by telephone this morning at two locations where he is ordinarily available.
>
> The night-shift squad of ten policemen of the Shawinigan force arrived on the scene early in the evening but made no arrests.
>
> Mayor François Roy said he was at a theatre performance and heard of the mob assault only

when he emerged at 11 p.m. He said he arrived on the scene at 11.30 p.m. when "everything was quiet."

He said that apparently the Shawinigan police had found that they "could do nothing" to stop the stoning of the building, but that they "protected those who were inside the flat."

Mayor Roy stressed that none of the brethren suffered bodily harm.

While the stoning of the brethren meeting place was going on Mr. Boeda placed a telephone call from the Mongrain flat to Doctor Arthur C. Hill, of Sherbrooke, chairman of the executive committee of the Christian Brethren Church of Quebec.

The evangelist's first excited report was at 9 p.m., and he called again at 10 p.m. After that nothing was heard from Mr. Boeda, and even this morning when Doctor Hill arrived in Montreal, no success was obtained in reaching the pastor by telephone.

Doctor Hill immediately boarded a train for Shawinigan Falls to conduct a personal investigation.

He said that he also spoke on the telephone to chief of police Napoleon Longval last night while the assault was in progress, and that the chief assured him that everything was being done to keep order.

Doctor Hill also spoke to Mayor Roy late last night by telephone, and to Mongrain.

Pastor Boeda, said Doctor Hill, was the victim of a kidnapping on March 4 when a group of Shawinigan Falls people forced him into an automobile, drove him to Three Rivers and put him on a train to Montreal. However, Mr. Boeda returned to his Shawinigan Falls post shortly afterward.

Mongrain said that when the brethren were escorted from the house at 11.30 p.m. by Shawinigan police, there were still about 1,000 persons gathered in the street.

He said the crowd was composed of men, women and children throughout the evening, but that only part of them took an active part in the stoning.

Mr. Mongrain is paralyzed in both legs and is confined to a wheel chair.

Mayor Roy said that he had been told that as many as 2,000 persons comprised the mob at its largest.

The Shawinigan police force is composed of 34 men working in three shifts, but only the night shift, then on duty, was called to the scene.

It was reported an automobile parked nearby was damaged during the stoning. Window glass in the car was broken after several bystanders let the air out of the tires.

Chief of Police Longval said that there were about 2,000 people in the crowd at its largest. He said he supervised police operations throughout the evening but that "the crowd was too large for us to handle."

He said four or five taxis were called at 11.30 p.m. and the brethren were herded into them. He said there were "about 40" brethren, including children. He said some were from Three Rivers.

I have chosen that report because it seems to be calm, collected and factual. I think it gives the essential details in which people might be interested in times to come. I should like to read one other statement which I think will be of value in this connection, and I refer now to the Montreal *Daily Star* of April 14 where a report is headed, "Attack on brethren believed made by mob in error." This report contains a statement by Dr. Arthur C. Hill, chairman of the executive committee of the Christian Brethren Church in Quebec. An excerpt from the report reads:

[Mr. Blackmore.]

Doctor Hill estimated that out of the crowd of 1,500 who stood outside the store the night of the mob assault, about 1,400 took no part in the stoning.

But the one hundred or so who did—apparently mostly young men—did a terrific amount of damage in one hour.

Further down in the report is a quotation which I think is fitting in order to estimate what occurred. I quote:

Police Chief Napoleon Longval of Shawinigan Falls reiterated today that he and his ten constables who were on the scene when the rioting took place were unable to control the mob, which was made up of men, women and children. He said a full investigation was being made, but there had been no arrests and there were not likely to be any.

I should like now to read into the record two editorials which have a bearing on this event. The first appeared in the Montreal *Daily Star* of April 14, and I have chosen this for obvious reasons. It reads:

A Shameful Attack

The Shawinigan mob's attack on the place of worship of Christian Brethren is a shameful act that should be repudiated by the authorities. It reflects no credit on anyone and if the mob leaders—and there must have been leaders—are allowed to go unpunished, Quebec's reputation for tolerance and fairness will suffer. On these grounds alone, but more particularly on the ground that freedom of worship is guaranteed by the constitution of this province, a full inquiry should be made into the outbreak. It should cover not only the actions of the mob but also the failure of the local police to identify and arrest a single person in a crowd that by their own estimate numbered at least 1,000 persons.

It may not be generally known—certainly it was unknown to whoever led this mob—that freedom of religion in this province rests not only on wholesome custom but on law. This is one of the few provinces in the dominion where this fundamental right is guaranteed by statute.

The enacting clause of the statute is quoted here for the benefit not only of the public but of the police of Shawinigan who are clearly ignorant of its terms and of their obligation to act under it. The Act Respecting Freedom of Worship and the Maintenance of Good Order in and near Places of Public Worship (chapter 307, revised statutes of Quebec, 1941) has this to say:

"The free exercise and enjoyment of religious profession and worship, without discrimination or preference, provided the same be not made an excuse for acts of licentiousness, or a justification of practices inconsistent with the peace and safety of the province, are by the constitution and laws of this province allowed to all His Majesty's subjects living within the same."

This act provides penalties by way of fine or imprisonment for violations. It also places upon the local police the obligation to protect worshippers in the use of their religious premises and to arrest anyone who disturbs them in their religious exercises.

By definition of the act the premises occupied by the Christian Brethren is a church. There is nothing in the record to show that they are a harmful or provocative sect. On the contrary, there is everything to suggest that the members of this very old sect are law-abiding, peaceable citizens.

Moreover, in this province they are incorporated as a religious body and by that token if by no other should be given the protection of the law.

I thought that that editorial would be of value to those who would wish to read a report of this incident. I also have an editorial which appeared in the Edmonton *Journal* of April 15, 1950, reading as follows:

The Right to Worship

Wednesday night's riot in Shawinigan Falls is the most ominous of the long series of religious disturbances in the province of Quebec. Earlier mob outbreaks were usually directed against the aggressive Jehovah's Witnesses sect; reprehensible as these affairs were, they had at least some provocation. But in Shawinigan Falls the victims were a small evangelical group who, as far as the news reports show, were not annoying or molesting anyone. There would seem to have been no excuse whatever for the action of the crowd in breaking up their services and wrecking their meeting place.

One cannot help wondering if the antagonism raised in predominantly Catholic Quebec by the "witness" controversy is not beginning to take the form, in some parts of the province, of a general intolerance of Protestantism—or at least of those denominations which are too small and uninfluential to defend themselves.

This would be a most disastrous development. Canada has always prided itself, and with justice, on her tradition of religious freedom. In few countries in the world have so many religious groups been able to live together in peace and harmony. But religious peace is a fragile thing and it would not take many incidents like the one on Wednesday to sow the seeds of nation-wide distrust and ill-will.

The Quebec government has a duty to act in this matter. It should lose no time in making clear to all its people that further outbreaks of this sort will not be tolerated and that all denominations will be protected in their right to meet and worship freely. That would be the best way of making sure that the trouble spreads no farther.

I thought that that editorial from the capital of my province would be a valuable contribution to the report. Just to show how factual the Edmonton *Journal* is in its estimate of what might happen across the country, I think it is well to quote from a report of a charitable and moderate sermon delivered by Rev. Arthur O. Lloyd in Bell Street United Church on April 23 last week in Ottawa. The report appears on page 10 of the Ottawa *Citizen* of April 24 and quotes Mr. Lloyd in part as follows:

In order to understand this I have gone back to the writings of Roman Catholic leaders. The Archbishop of Westminster says: "We Roman Catholics believe our church to be the only true church and, therefore, reunion means submission to the Holy See."

The article continues to quote Mr. Lloyd as follows:

On this side of the Atlantic, Cardinal Spellman, in an article on the Catholic position as to freedom of worship, says:

"We believe the Catholic church is the only organization authorized by God to teach religious truth and to conduct public religious worship."

I would say, Mr. Speaker, that the Shawinigan Falls mobbing incident and all its implications will need to be borne in mind scrupulously by every provincial representative whose heavy responsibility it will be to meet next fall to assist in drafting a suitable revision of the British North America Act. Some have thought, written and said that the Ottawa government should intervene on behalf of religious freedom in Canada. Let us solemnly warn each of those tempted to that sort of thinking. Let me suggest that they reflect what might happen if some single organization of religious worshippers were to attain dominant control at Ottawa, some organization that might not hesitate to use that power to the disadvantage of other religious organizations.

The only hope of religious liberty for our Canadian children will, and must, lie in unchallengeable provincial discretion over matters of religion.

Shawinigan Falls is a grave and portentous warning, but if the warning is heeded no ill results need accrue.

Our unhappy age had worries enough already. One could have been excused for hoping that we might have been spared the distractions accompanying religious violence. I confess that I had hoped we might. It appears that I was rather too sanguine in this respect. I claim the privilege of worshipping Almighty God according to the dictates of my own conscience, and allow all men the same privilege, let them worship how, where or what they may. I had persuaded myself that all Canadians would agree with me as regards freedom of religious worship. May I most earnestly suggest that if all organizations of religious worshippers in Canada will adopt and live by a creed similar to mine in this respect, we in our generation will have least cause for regret.

Mr. W. A. Boucher (Rosthern): Mr. Speaker, it is a privilege and an honour for me to rise in this debate as the representative of the constituency of Rosthern. It has often been said that Canada is a difficult country to govern. In respect of no phase of our life is this more true than in the economic factors that have so much influence on our prosperity and happiness. Every province in our far-flung nation has its own particular economic issue, and even every electoral district within each province has its own economic factors. For this reason I want to congratulate the Minister of Finance (Mr. Abbott) very warmly. I congratulate him, not only on the budget we are discussing today but also on the manner in which he has discharged the duties of his office ever since he assumed that high position.

It is a matter of great satisfaction to Canadians that he has directed the fiscal policy of our country in such a way as to distribute prosperity to all parts of Canada more evenly than has ever been done before. For this great achievement the Minister of Finance has gained the confidence of the large majority of our people. He has given to his people a high order of service in war and in peace, and I am glad to be able to tell him that millions of Canadians appreciate it.

We in Canada have some reason to be proud as we review our accomplishments. There is much yet to be done. So long as we continue to make progress, so long as we live in a changing world, there will always be need for change and reform. Our people will continue to press for, and I am sure that this government will continue to enact, that which is needed to ensure the welfare of our people. In comparison with the other nations of the world, however—and it is a fair yardstick by which to judge—we have reason to congratulate our people on their industry and sound judgment, and to congratulate the Prime Minister (Mr. St. Laurent) and every other minister of the government on the policies under which the achievements of our people were made possible. Under the inspired leadership of the Prime Minister our country has gained a significant measure of unity, and that has been one of the important factors in our welfare.

Rosthern constituency is populated by Canadians of many racial origins. Coming from all parts of a troubled world the people of my constituency are more deeply aware than many, because of their experiences in the old land, that our continued welfare depends upon the maintenance of peace. I know I speak for everyone in my riding when I thank the Prime Minister and the government with my whole heart because they have made the preservation of peace the chief cornerstone of Liberal policy.

The people of my constituency—and indeed this can be said of the people of the whole province of Saskatchewan—depend upon agriculture for a livelihood. While we are perhaps more directly dependent upon agriculture than are the people of the other provinces, I think it is wise for all of us in the house to realize and remember the extent to which people in all parts of our country are directly or indirectly dependent on our farms. In these days of great industrial progress in Canada it is all too easy to lose sight of this fact. Because of our direct interest it is not surprising that we from Saskatchewan give a fair share of our attention to everything affecting our great primary industry.

I support the government wholeheartedly because it has always given the interests of agriculture a prominent place in its program. We have heard a great deal from several sources, principally from the two largest opposition parties in the house, that our trade channels are threatened. This is of great interest to our farmers who must have markets for an ever-increasing production. We know, of course, that in a world that continues to progress and change we shall never have, nor do we want, static markets. What our farmers want and expect, therefore, is a government that is continually finding new markets for their products. I am sure the great support accorded this government in all the rural areas of Canada was due in notable measure to the confidence our farmers had in its marketing and trade policies. When the leaders of the opposition parties told them their markets had been lost, the farmers of Canada turned to this government because they had confidence in the Minister of Trade and Commerce (Mr. Howe) and the Minister of Agriculture (Mr. Gardiner).

I have spoken of Canada's magnificent industrial achievements in the last fifteen years. All Canadians are proud of the high place we have attained in the industrial world. Everyone recognizes how much of this we owe to the guidance, vision and courage of the right hon. Minister of Trade and Commerce. But the farmers of western Canada appreciate him for another reason. They appreciate him because he is not only a great believer in trade but puts his beliefs into active practice. Not only does he hold proper theories in regard to trade; he is practical, in the best sense of that word. Our farmers know that while the opposition parties are predicting blue ruin the Minister of Trade and Commerce is finding markets for our goods at fair prices. The minister is able to predict favourable conditions under this government, and his administration of the department does a great deal to make those predictions come true. The world wheat agreement and the Geneva trade agreements are important steps that indicate the road we must continue to follow, and I find that the farmers of Canada appreciate this.

The great majority of the people of Saskatchewan are proud of the fact that the Minister of Agriculture comes from our province; but, like the Minister of Trade and Commerce, he is not a provincial but a great national figure. The agricultural policies of this government are designed to encourage

every segment of this industry from Newfoundland to British Columbia. The minister's record of fifteen years of service in provincial affairs and fifteen years in the federal government speaks for itself.

In my constituency and my province we greatly appreciate the gradual improvement in the Prairie Farm Assistance Act. The amendments of this session will extend its benefits to many more farmers in Rosthern and other constituencies in what is known as the park area of our province. The Prairie Farm Rehabilitation Act, first passed by a Conservative government under Right Hon. R. B. Bennett and greatly extended by succeeding Liberal governments, has already improved farming in our province. The benefits of this legislation should be extended to all Canada. It would mean a great improvement in farm income and in the amenities of farm life. Within a few years the treasury would be repaid ten times over for the amounts we might spend under it.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Boucher: When the house rose at six o'clock, Mr. Speaker, I was about to speak of grain marketing. There is now in progress a powerful campaign pretending to ask for open markets for our grain. Those conducting this campaign put it in an extremely nice way. They claim to be the champions of the farmer's right to sell his grain at the price he wishes and to sell it to whom he wishes. What they advocate would, of course, not give the farmer anything of the kind. Those conducting this campaign centre their attacks particularly on the two senior members of our government, the Minister of Trade and Commerce (Mr. Howe) and the Minister of Agriculture (Mr. Gardiner). What they actually aim at is the destruction of the wheat board. This campaign must not and will not succeed.

The farmers of the prairie provinces remember too well the days when they had what these campaigners call "the open market". You cannot tell any farmer of that day that he could then sell his product for what he liked and to whom he wished. The farmer remembers when he had to sell his wheat on the Winnipeg grain exchange and receive as little as 23 cents per bushel. He does not remember any of the interests who now claim to work for him fighting for him at that time. He is satisfied to take his chance with the agricultural marketing policies of this government. He now has a chance to succeed.

Our farmers know that we live in a changing world and that we have to sell our surpluses to the rest of the world. They also know that other countries are having a difficult time to pay fair prices for the food products they need. Every effort must be made to keep our cost of production low. The prices of manufactured goods required to work our farms must come down, particularly the prices of farm machinery of all kinds. Whatever the reason for the high prices of today, they must be brought down. The farmers must not be asked to bear all the burden of meeting the world need for food at prices it can pay.

There is another campaign being waged today that must be resisted in the interests of Canada. That is the campaign of the railroad companies to take away from this parliament the control of the statutory freight rates on grain known as the Crowsnest rates. Not only are these rates statutory but they were rates which were originally set by contract, rates for which the Canadian Pacific Railway received great payment from the people of Canada, largely from the resources of western Canada. We now have the spectacle of this large corporation, which has on so many occasions insisted on the sanctity of contracts, seeking in effect to disavow its obligations and at the same time retain the payments it received in return.

The great grain-growing industry of the prairie provinces has been built upon these freight rates, which are rates bought and paid for. It must not be deprived of them now. While the prairie provinces are more directly concerned than others, it is not a western fight alone. A study of the economic history of Canada shows that the great prosperity of our central provinces, Ontario and Quebec, dated from the opening up of the prairies. It also shows that the prosperity of the central provinces has been continually stimulated by the development of grain-growing in the prairie provinces. All the people of the central provinces have a stake in the Crowsnest grain rates, and I call upon all the members of this house to see that these rates are retained. The prairie provinces are without the protection of competitive water rates and require and deserve this measure of statutory justice and equity.

As I have watched the actions of this government both from a distance and at close range, I am happy to know that it is concerned not only with the material things of the life of our people. No other government in the world has shown a greater interest in

the spiritual and cultural side of man's life. Never in the history of the world was this more needed than it is today. The evil forces of materialism have chosen this critical time in man's advancement to challenge everything that is greatest and best in us. Led by the communists who pretend to side with the reformers, these evil forces speak words of peace and practise death, destruction and tyranny. They try to blind our eyes to the progress we have made and seek to undermine the confidence of our people in our democratic way of life. They speak the language of democracy in order to fasten authoritarianism on our people. They promise great material things and give only slavery in place of freedom and progress. The social justice that we are working out in Canada has proved to be the strongest weapon we have against those who would tear down all that we have built up. They promise that which can never come by dictatorship. Real progress to happiness can only come with freedom.

I congratulate this government on the steps it has taken to bring our constitution up to date. The invitation to the provincial governments to meet with the federal government this autumn is a further important step. Our social progress has reached a point where it is seriously hampered by our constitution. We are justified in asking all our provincial governments to co-operate at this meeting. I believe we are justified in making a special plea to the governments of our two central provinces. Over one-half of the people of Canada live in these two provinces. I think it is not difficult to prove that a great deal of their prosperity comes from the areas on each side of them, namely, the maritimes and the western provinces. It is right to ask that all of our governments co-operate to bring the greatest measure of social justice to Canadians, to all parts of our great country.

To outline a target at which our governments can aim, at this meeting, I would like to quote from statements of Liberal purpose under the former and the present prime ministers of Canada. In 1935 this party, under the Right Hon. W. L. Mackenzie King, made its pledge to the Canadian people. I quote:

> The Liberal party recognizes that the problem of distribution has become more important than that of production, and believes that personality is more sacred than property. It will devote itself to finding ways and means of effecting a fair and just distribution of wealth with increasing regard to human need, to the furtherance of social justice and the promotion of the common good.

To these words, I add the words of our present Prime Minister thirteen years later. I quote:

> We will not be satisfied until, in co-operation with the provincial governments, we have achieved a national standard of social security and human welfare which assures the greatest possible measure of social justice to all Canadians.

That pledge has been, and is being kept. To those in the opposition who are looking for the secret of the Liberal party's success in holding the confidence of the people of Canada, I would say that they do not need to look any further than this.

Under our present constitution, this government has given us—in co-operation with the provincial governments, where necessary —such measures as our present standard of old age pensions, family allowances, unemployment insurance, the veterans' charter, and the national health program, as well as the Prairie Farm Assistance Act, and the Prairie Farm Rehabilitation Act, which I mentioned before.

I want at this point to congratulate the non. member for Grey-Bruce (Mr. Harris) on his appointment as Minister of Citizenship and Immigration. Immigration is an important factor in the spiritual and cultural, as well as in the economic, life of our people. The hon. minister, at a comparatively early age, has achieved an enviable record of public service in war and in peace. While the people of the western provinces have not yet had the opportunity of meeting him, they have been greatly impressed by what they have seen and by what they have heard of his work.

Our people, or their ancestors, have almost all come from other lands. They have brought with them diverse manners and customs, experiences and knowledge. In contrast to the hatreds and prejudices of Europe, we have in Canada learned to live together; in some measure at least we have learned to understand and appreciate each other personally and to understand and appreciate the contribution that each has made to our nation. This appreciation and this understanding have been an important factor in our life and are necessary for our further progress in happiness and prosperity.

The experiences we have had justify me in making a plea to the new minister for a wise and sound relaxation of our immigration restrictions. Particularly, I ask that relatives of Canadians be encouraged to come to our shores to share with us our struggles and our successes.

I want to make a special plea to everyone in this house, yes, indeed to everyone in Canada, to do everything possible to still further our unity and brotherhood in every contact he makes. Let the name of every citizen and prospective citizen of Canada be recognized as a Canadian name. Let every custom and manner brought here by our

people be recognized as Canadian, and as a contribution to more gracious living in this Canada that we are proud to call ours. In spite of all the evil forces, these things will make it possible for us to continue here in happiness and prosperity.

Mr. W. Ross Thatcher (Moose Jaw): Mr. Speaker, before commencing my remarks on the budget tonight I should like to refer to an incident which took place in the house earlier today. On the orders of the day I directed to the Prime Minister a question which I had already asked on Friday last of the government. I asked him whether or not it was the government's intention to give the customary official welcome or official reception to Sir Basil Brooke, the Prime Minister of Northern Ireland. Perhaps I was wrong, but it did seem to me that the Prime Minister was just a little brusque in answering me when he said: "It has not been considered." I think most Canadians have known for at least a month that this visitor was coming. I want to say that I have no axe to grind with the Irish, whether it be in the north or in the south. I do not come from Northern Ireland, and Sir Basil Brooke certainly does not share my politics. Nevertheless, I believe that the head of any country, regardless of who he is, and particularly the head of a sister nation of the commonwealth, should be given an official and friendly reception by the government of Canada.

The Prime Minister has always been known for his broad-mindedness and for his tolerance. I certainly hope that he will not disappoint many Canadians in this connection, because I am sure that many would be disappointed if this particular representative were not given a proper reception.

Getting back to the subject before the house. The budget, which was introduced on March 28 last by the Minister of Finance (Mr. Abbott), was certainly a very different affair from the tax-slashing pre-election document which he introduced a year ago. Some people at that time described the 1949 affair as the "sunshine budget". The 1950 document, with its rather nervous recognition of more difficult times ahead, reflects anything but sunshine so far as I can see. Apparently, as somebody put it, an era has ended. Apparently the lush post-war years are behind us. Gone are the periods of heavy surpluses, of substantial debt reduction and of heavy tax cuts. On the other hand, so far as I can see there is evidence everywhere of mounting costs. I think it is conceivable that in the coming year, expenditures will reach a peacetime high. The present Minister of Finance (Mr. Abbott) has held his position now for approximately four years, and in that time he has brought down, I believe, four budgets.

In the first three of those budgets the minister laid down a series of principles or precepts which he described as sound tax policy or sound budget policy for Canadians. Tonight, as we look at this budget I am reminded of some words from Shakespeare's Hamlet—

> This above all: to thine own self be true,
> And it must follow, as the night the day,
> Thou canst not then be false to any man.

In analysing the current budget I propose to see whether the minister has been true to himself and to the principles which he enunciated in his first three budgets. In other words, I think it is appropriate to compare the words of the minister in 1947, 1948 and 1949 with his actions in 1950.

Principle No. 1 which was advocated in former years by the minister was this, as it is set out at page 2553 of *Hansard* for 1947:

> —we should aim at a surplus in times of prosperity—

And again at page 4063 of *Hansard* for 1948:

> We should deliberately budget, as a matter of policy, for substantial surpluses in times like these.

Over the past four years, in parliament and out of parliament, the Minister of Finance has reiterated his belief time and again that in times of prosperity the budget should show a substantial surplus. Are we still in prosperous times? Most member agree, I suggest, that we are. Last year I believe the national income reached a peacetime high. I believe the forecast is that during the coming year it will be even higher.

Therefore, according to the cyclical theory of budgeting, and according to the minister's oft-expressed belief, most Canadians would have expected that the surplus in the last year would have been one of the greatest in all history. They would have expected that the surplus forecast for the coming year would also be very substantial.

What are the facts? The facts are that last year the minister did show a surplus of $111 million, but this compares with $676 million two years ago, and $595 million last year. For the ensuing year the minister forecasts only a small surplus of $20 million. Surely by the minister's own standards, that is a small, paltry surplus for a very prosperous year. And what is more, the minister knows better than anyone else in the House of Commons that probably even that amount of surplus will not be achieved, because the huge revenues are based upon a boom which is as fragile as it is unique. Then,

moreover, suppose that Ontario and Quebec should suddenly decide to sign a dominion-provincial tax agreement. Overnight the government would need another $120 million —six times the amount of surplus forecast.

I say, then, that in this budget, and in the one he is forecasting for the coming year, the minister has not complied with what he himself described was the first requisite of a good budget in prosperous times. He has not and is not budgeting for substantial surpluses.

Principle No. 2, as enunciated by the Minister of Finance, pertained to debt reduction. There can be no doubt as to his views in this connection. At page 2553 of *Hansard* for 1947 he said:

> It is a sensible and far-sighted policy to reduce the national debt in good times.

He repeated that in 1948. During the past year the national debt was reduced by $111 million. But that was only a very small figure when compared with the debt reduction of the two preceding years. And next year, if we can accept the forecast and the estimates of the minister, we shall be indeed fortunate if we reduce the national debt at all. In fact, there is a very good chance that we shall probably have a deficit and increase it.

As a member of parliament I ask the minister this question: If in 1948 and 1949 it was sound budget policy to reduce the national debt substantially, why is it not sound budget policy to reduce it similarly in 1950?

Everyone knows why the minister is not doing this. Everyone knows why he is not budgeting for heavy surpluses and substantial debt reduction this year. He allowed his economic beliefs to be overridden by political concessions made to help the Liberal party win the last election. As a result of those concessions, the government today is heading straight and surely for budget trouble, the oldest and most familiar disease of governments everywhere. Despite relatively prosperous times we face, as I said a moment ago, the very real danger of a deficit in the coming year. Because last year the government sacrificed sound economic principles to party politics, Canadians today, on the verge of a recession or economic difficulties, find themselves in much the same position as an army which has shot off its ammunition before the battle. I suggest the Minister of Finance must accept a good deal of the responsibility for that dilemma.

In past budgets the minister enunciated a third principle, namely the need to bring down expenditures and practise economy. Only last October, in his 1949 budget, the minister stated that the government was practising—and I am using his words—"the most careful economy and efficiency in all departments." He went on to say that the government "had decided on the general policy of limiting expenditures." Many Canadians wish the minister would reveal where, in particular, economy has been practised. Certainly there is not very much sign of it in the present budget.

In looking over the estimates I see that the expenditures in most departments are still mounting, and spending appears to be going on unabated. Defence expenditures, for instance, are up to the extent of $42 million; health and welfare, $45 million; the post office $3 million; resources $19 million; and labour $2,300,000. A few departments were able to cut expenses, but I think even Liberal members will admit that the over-all picture is not promising.

Speaking at Montreal a few days ago, according to a Canadian Press dispatch, the minister was rather pessimistic, when he said—

> Even if further economies are achieved in administrative costs they cannot possibly alter in any significant way the scale of the budget.

I say that statement is a gesture of futility by the minister. No Canadian who examines this almost unbelievable federal budget of $2.4 billion can doubt that in this vast and unwieldy machine of administration there is a great deal of money being wasted on duplication, overlapping and inefficiency.

When Mr. Hoover in the United States investigated the affairs of the United States government he reported that two or three billion dollars could be saved without impairing public efficiency in any way. In Canada the government is making no effort at all to see whether a similar saving could be made.

The fourth principle set out by the Minister of Finance in former budgets was perhaps the most important of all. It had to do with full employment, a policy which was formulated throughout the war years. It was enunciated in this house by Mr. Ilsley, the former minister of finance, and also by the present minister. As reported in *Hansard* for 1948 at page 4071 the present minister said this:

> All political parties and the public generally take it for granted now that governments must bear some responsibility for maintaining employment when large-scale unemployment threatens.

Year in and year out for the last five years the government has given the people of Canada to understand that now it had methods of controlling or at least alleviating an economic recession if or when it should

set in. I have heard many government supporters, whether they be from Newfoundland or from away out in British Columbia, refer glibly to a shelf of public works which would be available if or when unemployment should come. Canadians have been repeatedly assured that this time it would be different, that the government had learned its lesson from its experience during the war.

But during the last winter many Canadians received a severe shock because, overnight, upwards of 400,000 people were out of work. Overnight Canada was facing an unemployment emergency; overnight the crisis was upon us. In my perhaps biased opinion the government did not measure up to that crisis. Suddenly the large shelf of public works disappeared. Conveniently forgotten were the so-called "timing grants". Gone was any mention of the public investment program. When asked for action the Prime Minister (Mr. St. Laurent) told the people not to be pessimistic; he said that pessimism might lead us into another recession. Almost 400,000 unemployed, and the only action that parliament took was to modify the unemployment regulations. Those things were necessary, but at best they were only a palliative.

Today the unemployment situation is improving and it is conceivable that during the spring and summer it may get better, but how can the people of Canada have any confidence in a government which has failed to deal with the minor recession of a few years ago? How can they have confidence that it can deal with a major recession if it comes?

The figures look even blacker when we compare them with our sister dominions of New Zealand, Australia and Great Britain. On the day when we had almost 400,000 people out of work, Australia had 748 and at the same time had 107,000 jobs open for people which they could not fill. On top of that they had had a substantial immigration in the past year. In New Zealand there were less than 100 people looking for work. The record in Great Britain is almost as good. On the same date that we had almost 400,000 people out of work Great Britain had a labour force of 23 million, five times that of Canada, but had only 330,000 unemployed. In other words, where we had 7 out of 100 unemployed, Great Britain had only one out of 100. I think that is a striking contrast.

What reason did the Minister of Finance (Mr. Abbott) give in his budget for the unemployment that existed? On page 1210 of *Hansard* he is reported as having said:

> While the decline in employment as a whole has been small, the increase in unemployment has been greater, due, of course, to the fact that the total labour force continues to grow.

The labour force in Australia was growing much more rapidly than the labour force in Canada. The labour force in Great Britain was growing, but still in both those countries they were able to keep full employment. That was not used as an excuse for unemployment.

What did the minister suggest in his budget as a solution for unemployment? He had a kind of fourfold program. As reported on page 1210 of *Hansard* he said, first, that the government should create a favourable climate for expansion and development; second, that it should plan for the best timing of its own expenditures; third, it should take the responsibility for the development of primary industries; and, fourth, it should co-operate with the provincial governments. When we boil those four points down what do they mean to the average workingman in Canada? I do not know whether the words are parliamentary, but I think it means nothing less than sweet "beggar-all".

The minister reiterated his belief that the Liberal party today was depending on private enterprise to keep full employment. In other words, the basic philosophy of the Liberal party today is back where it was in the depression years of 1934, 1935 and 1936; it is depending on private business. I wish private business could provide full employment, but I have no confidence that by itself it can.

In Great Britain, rightly or wrongly, depending upon whether we agree with their methods, the Labour government has gone a good deal further toward creating a right climate and a right atmosphere. It has met the problem of providing full employment as a matter of policy. It has met the problem with a good deal of vigour and determination and by means of taxes, government expenditures and subsidies. By directing capital investment and allocating scarce materials it has been able to stimulate industrial activity. The result of these policies is that today Great Britain has a higher ratio of employment than any nation, at least any industrial nation in the world.

In my opinion Great Britain has demonstrated that unemployment can be beaten, but it can be beaten only if there is a degree of government intervention. Surely the government must realize by this time that private business by itself cannot deal with this serious problem. I have always believed that the state owes every man the right to earn a living at fair wages. If he does not want to work, it is his privilege to starve, but the right to work is a fundamental Canadian right.

The Liberal party failed to subscribe to that belief in the depression and I am afraid it is failing once again to subscribe to it.

On page 1219 of *Hansard* the minister said:

—if . . . we have to face serious difficulties we shall find that we have never been better equipped and prepared to resolve them.

At the very moment the minister was making that boast in the House of Commons officially there were 373,000 people not working. I have heard experienced parliamentarians and newsmen say that this session of parliament has been one of the most tedious since confederation. Perhaps it is, but to me the most significant fact which has come out of this session is not to be found in the headlines, is not to be found in *Hansard,* is not to be found in the legislation passed. Rather it is to be found in the fact that the Liberal party has once again made a right turn. For the first time since the war the government came face to face with unemployment and the only solution was direct government intervention. But the government weighed the risks involved, and turned its back on such intervention. Not only did it fail to meet the crisis, not only did it fail to come to grips with the problem, it retreated at the first minor skirmish.

It seems to me that this budget will be remembered for two main reasons. First, because we have witnessed the death of a myth—the cyclical budget has disappeared. Secondly, it will be remembered because the Liberal party has refused to accept government responsibility for employment. The people of Canada for the time being have no choice but to await the consequences.

Mr. G. D. Weaver (Churchill): Mr. Speaker, it is with a great deal of hesitation that I rise to take part in this debate. This House of Commons is the embodiment of the heart and mind of Canada and it is the realization that it is my job to speak for 40,000 inhabitants of this great dominion that gives me the confidence to do so.

I have sat in this seat throughout one session and the major part of a second one carefully observing proceedings. I have observed the government and I have observed all three groups of the opposition. I have been most fortunate in the seating arrangement for by virtue of my name commencing with "W" I am one of the most junior members of the assembly and when the seats were distributed I found myself in the fortunate position of being close to the official opposition and a part of that distinguished body of government supporters sitting on your left, sir, known as the rump and directly opposite the group of gentlemen who guide our destinies. Thus when I speak, I speak directly to them.

In these observations I have been both pleased and disappointed, pleased to find my distant impressions of the government borne out by closer observations and disappointed in the calibre of the opposition. I am one of those who believe that democracy functions best when the government is opposed by a strong opposition, strong not necessarily in numbers but strong in the insight of its criticism. Because a group small in numbers can provide effective opposition to a government strong in numbers. However, I have found that that is not the case here. Within our own ranks that informed criticism is available so that the calibre of government that the country enjoys is surpassed by no country in this world. No doubt the leader of the opposition (Mr. Drew) will say, "What self-adulation." Well, self-adulation or not, it is a fact. Speakers on my immediate left have risen and decried the danger of one-party government. If there were any danger, and there is not, the blame would be theirs because of their own shortcomings. They would be hurrying the introduction of such a state by the ineffectiveness of their criticism.

In his speech on the budget the financial critic of the Progressive Conservative party came up with the old cry of convertibility of currencies. He refuses to face reality. He refuses to see that exchange control did not make world conditions but that world conditions made exchange control. He insists on putting the cart in front of the horse. Let us suppose for a moment that this country, so small in numbers, should declare the pound convertible, as both the C.C.F. and Progressive Conservative parties have advocated. Our country, small in numbers, would be attempting to underwrite the economy of the whole sterling area. Not only would our mythical surpluses disappear but all the inventories from our warehouses, our stockpiles and our shelves would vanish into the sterling areas as fast as ships could transport them. Because of the United States dollar content in such a large part of the goods we make, our United States dollar and gold reserves would vanish overnight, our United States credit would be cut off and we would be bankrupt. The government would be hurled from office, and rightly so, if it were so foolish as to follow that policy. The hon. member for Greenwood (Mr. Macdonnell) or the hon. member for Winnipeg North Centre (Mr. Knowles) would probably be sitting where the Minister of Finance (Mr. Abbott) now sits, and would then fasten on us a

measure of control that would no doubt rival that of Joe Stalin. It is pure guff to talk convertibility.

The United States, with an economy thirteen times the size of ours, is the only country that is physically capable of making any currency convertible at the present time, and as soon as they fully awake to their responsibility in the world, currencies will be freed of exchange controls, and not before. In the meantime this country of only thirteen and a half million people, under the leadership of the group of gentlemen opposite me, have done wonders in interpreting the economic facts of life to the western world. Canada has been in the position of the little girl in the circus driving two huge horses, Great Britain and the United States, with one foot on the back of each. Either could hurl her to destruction, but under her skilful guidance they come safely through, and all the mumbo-jumbo about convertibility will not alter the course of events.

What I am most proud of is that the Canadian people in general and the people of Churchill constituency understand these fundamental economic facts. The proof of this is to be found in the majority that supports the Prime Minister (Mr. St. Laurent), and the fact that it is my privilege to occupy a seat in this body and to have the honour of speaking here today.

Opposition speakers have called Liberal private members rubber stamps and suggested that we should show our independence by voting against the government on occasion.

Some hon. Members: Hear, hear.

Mr. Weaver: This puts me in mind of the young fellow on his wedding night. His father told him that to make a success of marriage he must show his authority, his manhood and his independence. The opposition would ask us to show our authority by placing the government in power, our manhood by telling them they are no good, and our independence by hurling from office the best government we have had, thus exposing the country to the tender mercies of the opposition.

Mr. Smith (Calgary West): What did his wife say?

Mr. Weaver: I suppose it has never occurred to them that private members on the government side might approve of the actions of the government, and that of our own free will and accord we desire to vote with the government. We will continue to do so while they continue to give us the good government we have been enjoying, but if they were foolish enough to do most of the things advocated by the opposition we would rise in our wrath and vote solidly against them.

Mr. Knowles: No wonder you are laughing.

Mr. Weaver: This afternoon the hon. member for Kamloops (Mr. Fulton) spoke of the budget presented by the Minister of Finance as a hang-over budget. I think it is the opposition that has the hang-over and not the Minister of Finance.

Mr. Ferguson: You know what a hang-over is, all right.

Mr. Brooks: Very clever.

Mr. Weaver: The hon. member for Kamloops spoke of the Minister of Finance as having a billion dollar mentality. I thank God we have some men opposite me who have billion dollar mentalities and not the penny-wise and pound-foolish mentalities of some of those who speak from the opposition benches.

Mr. Smith (Calgary West): That is a good one.

Mr. Weaver: I have examined very carefully the budget of the Minister of Finance, and particularly the budget papers and charts of our economic activities. At first I was a little disappointed that some projects had been cut back, but on more careful examination I found that as to the amount of public money allotted to capital expenditure or development in the various departments there was an increase of approximately $74 million over the previous year. I am prepared to admit that perhaps this is sufficient for one year, having in view the large program of private expansion announced. If anything, the government has been conservative in its estimates of production for the coming year.

I also observed that in terms of our production and income we are better able to carry the national debt today than at any time since the 1920's. In addition the interest load on that debt has been progressively and substantially reduced. I would draw to your attention the most important fact that the percentage of the gross national product taken in taxation has not increased in the last twenty years. That is directly opposite to what the hon. member for Moose Jaw (Mr. Thatcher) would have led you to believe when he was speaking a few minutes ago. He spoke of an unwieldy budget, but it is not unwieldy at all when the government is not taking a larger percentage of the gross national product in taxation than it was twenty years ago.

In his speech the hon. member for Peace River (Mr. Low) discussed again the creation of money. It was my good fortune or bad fortune, whichever way you want to look at it, to be in Alberta in the year 1933, and like many others at that time I was without a plentiful supply of money. The late William Aberhart was travelling about the province holding meetings and collecting signatures on a petition to have the then government of Alberta investigate the feasibility of inaugurating social credit theories. I attended one of those meetings, and I can remember Mr. Aberhart telling the story of Pat and Mike. Between them they had brewed a barrel of beer and they were in the business of selling it. They only had a dime in cash between them, and apparently business was very bad. They had no customers. During the course of the day Pat got thirsty. He was the one who had the dime so he passed it over to Mike and helped himself to a glass of beer. Mike then having the dime passed it back to Pat, and Mike had a glass of beer. The dime went back and forth until the barrel was empty and Pat ended up with the dime he started with.

An hon. Member: And tight.

Mr. Weaver: Mr. Aberhart did not mention that but my imagination led me to believe the same thing. Mr. Aberhart left the story at this point. What he did not say was that Pat and Mike had just as much purchasing power between them as there was beer and no more. Money had nothing to do with it. My point is that the Social Credit theorists lead themselves down the garden path by focusing their attention on money and not on production. Without production money is worthless. The hon. member for Peace River presents his argument at page 1537 of *Hansard,* where he says:

> On many occasions my colleagues and I have reminded hon. members that during the war of 1939-1945 spokesmen for the government time and again declared to this chamber that they would let no financial restrictions interfere with the war effort. The only thing we had to consider during wartime was whether we had the manpower and the material resources necessary for an all-out war effort. Canada did not hesitate to produce ships and guns and planes and tanks and shells to the utmost of our physical capacity; and for what? For destruction. Financial cost was of little or no concern. The government saw to it that what was physically possible was made financially possible...

Then he went on to quote Professor A. F. W. Plumptre of Toronto university:

> "The government can always 'get money' because it may, as an alternative to borrowing or even taxation, create the required funds. This it can easily do nowadays through the leadership of the central bank and the co-operation of the chartered banks. In this way $200 million was created in this fashion last autumn."

Then the hon. member for Peace River went on:

> What for? For the war effort; not to take care of the unemployed, not to offer social security, not to close the gap between the national product and the national income, but for destructive purposes. Well, I claim that this statement . . . should serve to silence those critics of ours who are constantly making the assertion that the government can get money only from taxation or borrowing.

This statement does not silence those critics. The creation of money as advocated by the hon. member can be done, but it is only another form of hidden taxation, and the most extreme and insidious form of all. Let us assume that we have $10 worth of production, and that there is $9 of purchasing power available. Then assume that the government listens to our Social Credit friends and creates an additional $9 of purchasing power. We now have $18 of purchasing power and still only $10 worth of goods to back it up. By this indirect method the government will have taken in taxation half the goods. This type of hidden taxation has been used by unscrupulous governments many times in history; it is called inflation.

As the hon. member for Peace River indicated, it happened automatically during the war because we were destroying our production, uselessly from a peacetime point of view in that we were creating a vacuum of useful goods, but most necessarily from a wartime point of view.

An hon. Member: What are you quoting from now?

Mr. Weaver: These are my own thoughts. No government could do that unless the people desired it. I would like to see the largest possible proportion of our revenues taken in direct taxation, so we would know where it came from. Money is only goods and services produced. Our savings are the difference between what we produce and what we consume. This applies at all levels from the individual to the national. Savings take many forms. They may be stocks of grain; they may be herds of cattle; they may be homes, or stockpiles of metal; industrial plant; goods on store shelves; the surpluses that our friends of the opposition speak of, a little bit of butter, a little bit of cheese and some honey. These things are our savings; our bank accounts are only claims against these goods. It is for us to say, as citizens, what we will do with these savings. If we try to pile them up without using them they lose their value, because all but gold are perishable and deteriorate. Moths and rust will destroy them.

During the war under the leadership of our government, we as citizens said, "Let us use

these surpluses; let us produce to preserve our freedom, for if we do not preserve our freedom these savings will have no value." We wholeheartedly supported the government in that policy. In the same way, if we want what we speak of as social security, as citizens we must be willing to have the government tax our production and use it for that purpose. In that way there will be a market for our productive capacity and, as individuals, the possibility of saving will be greatly increased. We can place a proportion of our savings to the government account to be used now to provide the services we ask for, and take a claim on future production in return. This implies faith in the future and confidence in ourselves. Our savings are thus stored where moth or rust can do no damage, and where they will not lose their value.

This is the theory that was adopted by the Minister of Agriculture (Mr. Gardiner) in western Canada during the war, when he told the farmers to store their wheat in summer fallow. It is exactly the same thing. We are fortunate in having a Prime Minister and a government with the wisdom, the vision and the desire to do this in spite of the difficulties facing them in the world as we find it today.

Now let us examine what I have just said in the light of the individual. As a citizen I may hesitate to cut down my standard of living. Therefore I must increase my production to provide for those who are unable to produce because of various disabilities, including old age. This is where the government comes in; and with your permission, Mr. Speaker, I would speak directly to the ministers. Before doing that, however, this evening the hon. member for Moose Jaw (Mr. Thatcher) said the present budget was the end of an era. Let us suppose that is so; but if it is the end of an era it is also the beginning of a new era. Speaking to the Minister of Finance (Mr. Abbott), as an average citizen I would say, "I expect you by your fiscal policies to maintain a healthy economy which will enable me as a citizen to develop and produce to the utmost of my capacity." This I was glad to see was the announced policy of the minister, and with minor exceptions his budget supports it. A few moments ago the hon. member for Moose Jaw used some words which he doubted were parliamentary. I suggest that the words he used applied to what he was saying.

Having in mind what I just said to the Minister of Finance, I ask him to lend a sympathetic ear to the Minister of Agriculture (Mr. Gardiner) and his plans for the development of the west under P.F.R.A., because I believe those plans to be in line with what I have been saying. I also ask him to lend a sympathetic ear to the Minister of Transport (Mr. Chevrier) and any plans he may bring forward respecting railway development in our great northland. The same would apply to the Minister of Resources and Development (Mr. Winters). I ask the Minister of Finance to take as his yardstick in government spending the words of an eastern farmer: "Break the back forty acres before you build a new front porch." I would ask the minister to move in this direction as far and as fast as our resources will permit. Only in this way can we supply the money for which the Minister of National Health and Welfare (Mr. Martin) will be asking, with my blessing. In return I shall undertake to be responsible for explaining and justifying to my constituents the necessary taxation, even if it should call for an increase, because I believe we shall be better off under such a program.

Now, Mr. Speaker, with your permission I turn to the Minister of Trade and Commerce (Mr. Howe), even though he is not in his place. Without him the program I have outlined would be useless. I ask him, in his absence, to continue the outstanding job he has been doing in finding markets for our increased production. The Department of Trade and Commerce, which has been built up by his predecessors and added to by the present minister, is second to none in any country in the world; and I am confident that under his direction the task is within the capacity of that department. I hear the odd snicker on my left, but those words are just as true as the fact that I am standing here tonight.

I am sorry the Prime Minister (Mr. St. Laurent) is absent at the moment, but if he were here I would say: In 1896 his illustrious predecessor Sir Wilfrid Laurier figuratively stood in Winnipeg and looked westward at the possibilities of that tremendous store of potential wealth. Under his inspired leadership this nation experienced unprecedented development. In 1911 a different viewpoint gained control, to be followed by two world wars and the terrible depression of the thirties. In 1935 the immediate predecessor of the present Prime Minister, Mr. King, took over the helm of this country and guided it back on to an even keel and successfully steered it through the war and post-war years.

Mr. Smith (Calgary West): Sir Robert Borden started both wars, did he?

Mr. Knowles: He is not here either.

Mr. Weaver: You, sir, stand figuratively in Swan River, in Prince Albert and in Edmonton looking northward at a treasure

house beside which the fabulous wealth, to which the genii of Aladdin's lamp had access, was peanuts. You cannot help but feel that your destiny is to follow in the footsteps of your great French-speaking Canadian predecessor, Sir Wilfrid Laurier, in developing this northland. The Canadian northwest is your oyster.

Let me tell you what lies in northern Manitoba. From Cumberland House in Saskatchewan to the north end of lake Winnipeg lies what is known as the Saskatchewan river flood plain. It was in this area that the first wheat was grown in western Canada. I should like to read to you a short quotation from a treatise on the early exploration in this area:

> Whether the Saskatchewan river was reached from Lake Winnipeg or by way of Lake Manitoba and Winnipegosis is not definitely known.
>
> The la Verendryes were followed by Louis Chevalier de la Corne who started westward in 1753 to take over the western forts which had been established by the la Verendryes. He reached the Saskatchewan river and spent time at The Pas, then Fort Paskoyac. Later he went further up the Saskatchewan and established Fort a la Corne. The same year (1753) he explored the Carrot river and the following spring (1754) seeded a few acres of land in the adjacent area, thereby deserving to be called the first agriculturist of the Canadian west. His crop gave a good yield and when he returned eastward he spoke of the excellent crop returns he had obtained in that area.
>
> These early French pioneers were followed by the English who came into Lake Winnipeg from Hudson bay by way of the Hayes and other rivers.

For centuries the flood waters of the Saskatchewan river have been carrying the silt of the prairies to this area. At places it is 40 feet deep. It has been estimated by qualified persons that an expenditure of $20 million in drainage and flood control will bring 4,000,000 acres under the plow. The town of The Pas, Manitoba, will be in the heart of this development. This amount of land in southern Manitoba now supports a farming population of 60,000 persons. This does not take into account the secondary population that draws its wealth from those who produce the primary production. Many times this amount of $20 million is required to rehabilitate a fraction of this acreage in southern Saskatchewan. Southern Saskatchewan, of course, must be done first because when you start to harness a great river it must be done from the source; but some day this river will be harnessed.

The Nelson river, running out of lake Winnipeg, will be controlled; water that is now wasted will be diverted from the south end of lake Winnipeg into the great lakes system, and when that day comes nearly every drop of water that now falls in the Saskatchewan watershed will be used in the mid-continent. Western Canada is still in the embryonic stage. North of the area of which I speak lies the great Pre-Cambrian shield, dotted with mines.

I have heard many suggestions since I came here, Mr. Speaker. I sometimes think that if we had a map of Canada some place in this auditorium where we could see it, it would be something that would benefit us all. When a flag for Canada is advocated, I would say that that map of Canada is sufficient flag for me. If you look at the map of northern Canada in your mind's eye, put a pencil in the midst of northern Manitoba and draw an arc around Reindeer lake and lake Athabasca and up to Prince George in British Columbia, you will be practically tracing out the route of a future railroad. I would call this to the attention of the Minister of National Defence (Mr. Claxton), because it could have significance for the defence of the continent.

I have already mentioned that the west was still in the embryonic stage. I remember once reading an article describing how a portion of the shell of an egg was removed and replaced by glass, and the egg incubated. What happened hour by hour and day by day was recorded: how first the heart, and then the brain formed, followed by the various organs, then blood vessels and bones, until finally the chicken emerged.

The railways and transportation routes of the country are like the blood vessels forming in the development of the country. When Providence laid down the great bodies of ore that have now become our mines, He did not place them beside the cities of Montreal, Toronto and Hamilton. Those of us connected with mining who have spent so many years of our lives far from the comforts of civilization are keenly aware of this fact. These rich ore bodies call for railways which in turn bring about settlements that are not even connected with the mines, and the complete developed country finally emerges.

At Trail, British Columbia, as the ore becomes exhausted, the power that has been developed because of the ore is used in the development of a chemical industry that has become permanent. So will it be with Flin Flon in the future, drawing its power from the Churchill river at Island falls. But that time is still far in the future. In the meantime another steppingstone in this northern development is appearing at Lynn lake, pushing the frontier ever further north.

I want to take a few minutes to bring to your attention exactly what I mean when I speak of treasure in the north. The Flin Flon mine went into production in 1930 with ore reserves at that time of 19,000,000 tons. Today Flin Flon is a town of 10,000 persons.

In 1949 it produced $37 million worth of metals. It paid directly into the treasury of the people of Canada, in income taxes and ore royalties, more than $5,500,000, and indirectly another $1,500,000. Considering the 10,000 people who derive their livelihood from that mine, they have contributed from five to seven and a half times the national average towards the revenues of $2,500 million collected last year by the Minister of Finance (Mr. Abbott). In the last 20 years this mine has produced directly in metals approximately $450 million worth. This type of operation, in secondary jobs entirely away from the seat of operation, contributes about two and a half times its primary production towards the gross national product, which would raise the $450 million to over $1 billion attributable to it.

In the last 20 years that one mine has paid, directly and indirectly, almost $75 million to the federal treasury, or approximately five times the national average, based on the population of Flin Flon. If anyone is inclined to think that this figure of $75 million is exaggerated, I would point out these facts gleaned from the minister's budget papers. Over the last 20 years the revenue of the dominion has been approximately 15 per cent of the gross national product. It has varied little except for the war years. I have just pointed out that this one mine has been directly and indirectly responsible for over $1 billion of the gross national product, and 15 per cent of $1 billion is $150 million. That is twice the $75 million that I mentioned previously.

That $150 million is ten times the national average. In the last 20 years the gross national product was approximately $150 billion. If all the people of Canada had produced wealth at the same rate for the past 20 years, the gross national product would have been approximately $600 billion or four times what it has been; and I have not taken into account the secondary drive of primary production which would more than double the figure.

I leave it to you, Mr. Speaker, whether this is treasure or not. It is figures like these that gladden the heart of the Minister of Finance (Mr. Abbott). This is just one mine in Churchill constituency. Although it is the largest, there are other large ones such as Sherritt Gordon and the Howe Sound at Snow lake, besides other small ones; and I have already mentioned Lynn lake where some millions of dollars have already been spent on development. Now, sir, when the Minister of Transport asks you for funds to enable the Canadian National Railways to extend another artery into the northern treasure house let these figures lighten your heart and say: "Yes, I'll ask parliament for the money", and you will do it in the knowledge that it will be bread upon the waters returning manyfold.

There is so much to say, Mr. Speaker, about this northern constituency with its Hudson Bay railway, its ocean port, its inland fisheries, its huge lumbering industry and the rich Swan river valley that I cannot do it justice. It will be sufficient to say that this is the territory spoken of in a quotation I am about to read from an address delivered by Mr. S. W. Fairweather, vice-president, research and development, Canadian National Railways, Montreal, before the Engineering Institute of Canada and the Association of Professional Engineers of the province of Manitoba in Winnipeg, Thursday, January 12, 1950. He said:

> The subject which I intend to discuss is of particular interest to those who are developing what I have elsewhere termed the "frontier fringe of Canada." In many countries the word "frontier" has a grim significance but the frontier of which I speak is not a dividing line between nations, it is a dividing line between the developed and the undeveloped. Beyond it lies opportunity, a challenge to the venturesome and a sure hope of reward to industry, intelligence and perseverance. By the definition of my term, the frontier of which I speak is not static. It is being pushed back year by year. It has receded far beyond the position it occupied along the coast and the St. Lawrence river 200 years ago. Only one life-span ago this city of Winnipeg, with all its present amenities of civilization, was on the frontier fringe. Development pressed westward from the east and eastward from the west until from ocean to ocean the natural resources of Canada were made available in a belt of varying width. Now the path of development lies northward and much of what we regarded not many decades ago as a hostile, barren waste is proving to be a storehouse of wealth—the reward of the hardy, modern pioneer. The rock drill and the mine shaft may have replaced the plow and the grain elevator as symbols of development; but whether the development is of the forest, the fisheries, agriculture or mining, the end objective must be profit to the individual and an increase in national wealth.

Suffice it to say that I once heard Mr. R. A. C. Henry, former deputy minister of railways and one of the greatest authorities on transportation in Canada today, in enumerating the goods transported over the railways of the different provinces stop when he came to Manitoba and say: "You know, I never realized before how rich Manitoba was." So, hon. gentlemen, when the government asks you for funds for the north, vote them, in the sure knowledge that you are making no mistake. In speaking of this treasure house and this wealth that has come out of the north in recent years I would mention that it was not trundled out in a wheelbarrow, as the hon. member for Calgary West (Mr. Smith) mentioned once before when another member was speaking of northern possibilities.

I will not take much longer, Mr. Speaker, but in closing I want to refer to the remarks made by the hon. member for Greenwood (Mr. Macdonnell) in this debate. In this connection I want to congratulate the government and the Minister of Finance (Mr. Abbott), not on cutting the melon a year ago, as the member for Greenwood is so anxious to point out, but on the preparing of the melon for the cutting.

Mr. Smith (Calgary West): On a question of privilege, Mr. Speaker, I would suggest that the hon. member take his eraser and erase the reference to me from his speech which he read just now.

Mr. G. K. Fraser (Peterborough West): Mr. Speaker, I am not going to apologize for speaking, because it is the privilege of every hon. member in this debate to rise in his place and criticize the government for its management or mismanagement of the affairs of the country, whichever it may be.

I have never hesitated in this house at any time since 1940 to rise in my place and criticize the government when I thought it should be criticized, and I am going to do it at this time. During those years I have also made a number of suggestions to the government, and I am very glad that some of the suggestions have been carried out, and very successfully, too.

When the budget was brought down last year an industrial worker in Peterborough, a union man, stopped me on the street and said: "Mr. Fraser, you know them down at Ottawa pretty well. Tell me this: Did these birds down there work very hard to try and reduce the income tax so that we working people could have a few more dollars to spend?" I said: "Your guess is as good as mine." He said: "Well, I do not think they worked very hard; in fact the reduction that they have made in the income tax to me is not worth any more than the value of the hole in a doughnut, because although they did reduce the income tax a fraction at the same time they are so extravagant in spending that they have increased the cost of living, and it has taken away every bit of good that the reduction in the income tax should have given us."

I met that same man last week, and he said: "Well, the budget this year is not any better, and certainly Mr. Abbott, the Minister of Finance, is trying to keep up with the Joneses with the $2,400 million budget. That man certainly cannot realize the fact that Canada is only a country of about 14 million people and we are taxed $2,400 million. You cannot expect anything else when the government or its agents hand out to people who are retiring, such as Mr. Vaughan, former president of the C.N.R. $50,000 as an honorarium, just as a present." The same man said: "What can the average workingman on a daily or hourly wage expect?" He said: "Nothing but what we are getting, and that is just two things, high taxes and high cost of living." That is the opinion of a workingman.

In order to keep up with the Joneses this government, with the taxpayers' cash, is paying over 280 publicity agents to glorify the ministers of the crown and to build up this government. They did that before the election and they have kept at it since. They are doing it in newspaper, magazine and streetcar advertisements, and that does not include radio or films that the different departments are using. This is a fact, because I had a return tabled in my name this week, No. 102B, which showed that over $120 per hour was spent by the Canadian government on publicity, $2 a minute, and that does not cover the situation by far. This $2 a minute, or $120 an hour, goes on for every hour of every day of the week including Sundays, or 365 days of the year. As I said, this does not cover the whole story. It does not cover the offices or the cost of the rent of the offices that these people occupy. It does not cover the telephones they use, the upkeep of the offices or anything of that nature. Nor does it cover their travelling expenses. I shall have to put another question on the order paper to try to get an answer.

Then, there was a dandy on the order paper in my name today! This was just a simple little question in regard to a radio program heard over the Canadian Broadcasting Corporation. I asked if it was a C.B.C. program and the reply is, "No information." Then, to two other questions the answers are "No information"; "no information." I shall have to put another question on the order paper on that subject, also.

Last year in a new department of government they spent $229,138 for publicity alone. As I said before, this does not cover office space, telephones and things like that. If we were to dig into that figure we would find that the department spent at least a quarter of a million dollars on publicity—and that is a new department.

I acknowledge that we do need information and publicity, and that some of the money spent for this purpose is properly spent. I want that thoroughly understood. But at the same time even government members will have to acknowledge that a great deal of this literature is nothing but a build-up for the government—political propaganda. A great deal of this stuff comes into members'

offices and is spread around the country. It just reaches wastepaper baskets and does not go any further.

All this reminds me of an election advertisement which must sound very funny to the Minister of Finance (Mr. Abbott) today. This ad, issued during the campaign, is headed, "A Word to Housewives and Homemakers", and says:

> You are Canada's biggest spenders. Every week you lay out your housekeeping money on food for your families and clothes for your children.
>
> The Conservative party has pledged itself to devalue the Canadian dollar if it gets into power on Monday, June 27. That devaluation will help a few Canadian industrialists, but it will not help you.
>
> It will mean that a Canadian dollar will buy only 90 cents worth of goods in the United States, and that all imported goods will therefore go up in price.
>
> All your tropical fruits—oranges, bananas, grapefruit, and so on—and your imported vegetables, will go up in price.
>
> Your cotton goods will go up in price.
>
> Your sugar and dozens of other foods that you use every day in your kitchens will go up in price.
>
> Can you afford to lose ten cents on every dollar of your housekeeping money?
>
> If you cannot, vote for the Liberal party, which gave you family allowances and has done its level best to keep living costs down.

Mr. Knowles: The highest cost of living we have ever had.

Mr. Fraser: And just a few short weeks after that the dollar was devaluated.

Mr. Macdonnell (Greenwood): They saw the light.

Mr. Fraser: And a lot of this publicity is no more reliable than that advertisement.

Mr. Sinclair: If you want some real laughs just look at some of the old Tory ads in the last election.

Mr. Knowles: Look at the Liberal ads in Vancouver Centre. They take the cake.

Mr. Sinclair: Not in Vancouver North.

Mr. Fraser: This ad, in view of the manner in which the dollar has been devaluated, just shows what kind of things the government did during the election campaign.

The minister has said that not much can be done to reduce extravagance in government spending. Unless business methods are employed by the government in the different departments, this is true. At the present time there are really no business methods in government. I wish I could quote what was said in a certain committee today; but of course it is not proper for me to quote anything that takes place in a committee of the house. Only the Minister of Transport (Mr. Chevrier) can do that, and get away with it.

Mr. Chevrier: You asked for it, and you got it.

Mr. Fraser: And you got it right back.

I said a moment ago that all departments of government were not covered in the return tabled in my name, in connection with publicity. Therefore, on April 21 I asked the Secretary of State (Mr. Bradley) if he would get a full return for me. Today the Minister of Public Works (Mr. Fournier) said something would be done.

I have here the list tabled in my name on April 17. This, remember, is for a nation of only 14 million people. It does not cover, as I said before, radio or film advertising. Believe me, that would run into a considerable sum. I have a question on the order paper in that connection at the moment.

What I now have is a condensed report of the return. Remember, there are 80 press gallery reporters in the parliamentary press gallery. They are there from all over the world but most of them are Canadians. These are men paid by their own newspapers and magazines to report what takes place in parliament, and to keep abreast of government business. Yet the government is trying to duplicate what those press reporters are doing—and doing well.

In a nation-wide hook-up early in April Mr. Abbott asked: Where can we save? Mr. Abbott ought to be able to answer that question himself, without appealing to the nation for the answer. During the war we had an information office which did good work.

Some hon. Members: Oh, oh.

Mr. Fraser: Yes, it did good work.

Mr. Cote (Matapedia-Matane): At long last you admit it.

Mr. Fraser: But when the war was over the Department of External Affairs was supposed to take over that information office. Now it seems that every department of government has its own information bureau. I look at it this way: if I had a dog and it had fleas I would scrub it and wash it and put it by itself. But the government seems to clean up one little thing; they put the dog with the other dogs that are flea-infested. Every department is stuck with the same bug. There are no business methods in any of the departments. Believe me, that condition has spread to every department of government, and it is multiplying all the time, at the expense of the taxpayers.

This is where a business consulting firm should be brought in so as to check the advertising and publicity departments of the government.

An hon. Member: They would spend more money than ever.

Mr. Fraser: But if that business firm were brought in and made a report and then if a committee were set up to study the report and to make a survey of the different departments, I feel sure great savings could be made in this publicity.

Mr. Abbott: We do not need an outside committee when you have the hon. member for Peterborough West (Mr. Fraser).

Mr. Fleming: Give him a chance.

Mr. Fraser: I am glad the minister said that. If he will look back he will find that he has acted on some of my suggestions. I thank him very much.

Mr. Knowles: And the budget has gone up since.

Mr. Sinclair: I am worrying about my job, now.

Mr. Fraser: I shall read this publicity list from the Montreal *Gazette*, because it seems to be complete. It states:

> In all, the return tabled . . showed that 19 government departments and branches were incurring publicity expenditures amounting to $1,046,000 each year. Government employees engaged in publicity work was set at 280—113 permanent civil servants and the remainder "temporaries."
>
> Biggest spender for publicity was the Department of External Affairs—

That is where the information bureau was supposed to go:

> —which admitted to employing 51 civil servants for the work, at a total cost of $226,000 yearly. Of this total $124,000 was listed in salaries.
>
> The Department of Agriculture is running in second position, with annual publicity expenditures of $172,000. The Post Office Department rates third, with items totalling $150,000.
>
> Publicity expenditures listed for the various government departments were as follows:

Department	Empl.	Expen.
Agriculture	64	$172,400
Citizenship and Immigration	4	11,340
Civil Service Commission	2	4,320
External Affairs	51	226,400
Fisheries	11	74,600
Labour	11	31,120
Unemployment Insurance	11	32,160
Mines and Technical Surveys	1	No estimate
National Defence	19	62,470
Health and Welfare	28	77,880
National Revenue	2	7,000
Post Office	28	150,500
Film Board	12	44,700
Secretary of State	10	30,200
Trade and Commerce	17	52,600
Transport	4	13,300
Veterans Affairs	12	44,700
Prices Board	3	10,500

In the case of the Department of National Revenue I know that they also have radio advertising because this was revealed in a return tabled in my name.

[Mr. Fraser.]

The article continues:

> These figures, while substantial ones, are not sufficiently complete to furnish much evidence of the extent of the dominion government's publicity operations.
>
> The Department of Justice turned in no figures whatever. Nor did the Department of Finance, or public works. Also missing were returns from the Canadian Broadcasting Corporation, the Dominion Coal Board, the National Research Council, the Atomic Energy Control Board, the Canadian Maritime Commission, the Board of Transport Commissioners, the Air Transport Board, and other government agencies which also turn a hand to publicity work to some extent or degree.
>
> The Foreign Exchange Control Board, which submitted no list of publicity expenses on its own or through its parent Department of Finance, has an item listed in the current estimates of $30,000 for a "public information program." During 1949-50, the estimated expenditure under this heading amounted to $68,700.
>
> The Canadian Tariff Board, which also uses publicity releases fairly frequently, turned in no estimates whatever. It also comes under the Department of Finance.
>
> From the figures given above, it will be seen that the Wartime Prices and Trade Board gives its total publicity outlay at $10,000 per year. Yet the 1949-50 estimates provide for an "advertising" account by the board with an estimated cost of $50,000.
>
> The new Department of Citizenship and Immigration puts in a modest claim to spending a little more than $10,000 per year on public relations purposes.

I shall not go through the rest of it as I think I have given enough to show just what we are spending on publicity. A business firm was engaged to look into the operations of the national film board and they brought in a most comprehensive report which I hope will be acted upon. They showed that the accounting system was not what it should be because it required a chief treasury officer and a staff of twenty-one employees to keep the accounts of that one small organ of the government, the national film board. On more than one occasion I have said that business methods should be adopted in the departments of government and I mentioned particularly the national film board. In this instance it has taken the white light of publicity plus an independent business examination to disclose waste and inefficiency such as could scarcely exist in any properly managed business concern.

There are all kinds of press releases put out by the different government publicity agencies. I received one the other day from the information division of the Department of External Affairs dealing with the implications of the cold war for Canada. This particular release contained the text of a speech by the Prime Minister (Mr. St. Laurent) to the Canadian Club and is eleven pages long. The press covered that meeting quite fully, but there is one paragraph in this release which surely takes the cake. It reminds me of the story of Red Riding Hood where the

wolf puts on the grandmother's clothing and pretends that it is quite meek and mild. When I read this paragraph I know that a great number of hon. members will agree with me when I say that these press releases are not all they should be. This paragraph appears on page 4 and reads as follows:

> One aspect of that responsibility, one contribution we can make to ultimate success in the cold war is to maintain right here in Canada a strong and healthy free community in which the state remains our servant and does not become our master;

I know that every hon. member in this house, after witnessing the exhibition we had the other day, will agree that that is not so, that the government with its overwhelming majority is acting as master of the situation while the opposition has little chance of putting across what it should be allowed to do. The fact that the government will put through things against strong objection, not only by the opposition but by the country as a whole, shows that the state is the master and dictator and not the servant of the people.

That fact was brought out in a committee of this house when a Newfoundland member wanted to ask some questions. The chairman thinking that the Liberal member who wanted to ask the questions might embarrass the government suggested that the questions be placed in his hands, and the hon. member did that. There was another attempt by the same member to get his questions answered, but it was put down again by the chairman.

Mr. Sinclair: On a question of privilege, the hon. member should name the chairman, otherwise he will be unfair to the chairmen of all committees of this house.

Mr. Fraser: It was the chairman of the committee on railways and shipping and it was the hon. member for Burin-Burgeo (Mr. Carter) who was sat upon. We have not heard anything about those questions although they may be in the report.

Mr. Chevrier: I do not want to interrupt the hon. member, but he is inaccurate when he says, "We have not heard anything about those questions." It was suggested to the hon. member that he put his questions in writing and they were answered by the president of the Canadian National Railways and form part of the report. I am sure the hon. member does not want to be unfair.

Mr. Fraser: I am not unfair because they were not answered verbally.

Mr. Chevrier: They were not answered verbally.

Mr. Fraser: That is what I am getting at. They were not answered verbally; they were covered up in the report.

Mr. Chevrier: If they were not answered verbally it was in order to allow the hon. member to put them all in writing so that it would save the time of the committee. They are in the report as it is now.

Mr. Fraser: They might be in the report, but they did not want the member to get up on his feet and put those questions. You could see that, and it is an absolute fact. The Minister of Finance (Mr. Abbott) could curtail more of this publicity. He has a responsibility to the taxpayers. It is easy enough for him to dodge his responsibility but he cannot dodge the consequences of dodging that responsibility. I think that is something every cabinet minister should take into account. The Minister of Finance knows that every business firm in Canada at the present time is doing the accounting and collecting of income tax for the Department of National Revenue. I feel that this department should ascertain what it costs each business to collect these taxes for the government, and that portion should be deductible from business income taxes.

The Minister of National Revenue (Mr. McCann) is not in his place in the house, but I should like to bring it to his attention again that the people of Peterborough feel we should have an income tax office there and not just a branch office with only a little place—

Mr. Sinclair: More expense.

Mr. Fraser: It might be more expense to begin with but in the long run it would save the government a lot of money. The Minister of Public Works (Mr. Fournier) long ago promised me that we would have a new federal building in Peterborough.

Mr. Fournier (Hull): If I promised it you will get it.

Mr. Fraser: That is fine. I appreciate that very much, and I hope we shall get it soon.

Mr. Sinclair: He didn't say when, though.

Mr. Fraser: There is no reason why provision could not be made in that federal building for an income tax office.

Mr. Sinclair: More expense.

Mr. Fraser: The Peterborough district supplies more than one-third of the total income taxes collected in the Belleville district, and Peterborough is the logical place for such an income tax office.

Mr. Knowles: Especially now that the highway is going that way.

Mr. Sinclair: That is more expense, too.

Mr. Fraser: Peterborough is one of the very few places in Canada that have branch income tax offices. As the Minister of National Revenue is in his place now I should like to point out that I brought to his attention the condition of fifty or more people standing in line on a Saturday morning waiting for one income tax man to do the job.

Mr. McCann: How many are at the vendor's?

Mr. Fraser: On the following Monday they put four people in there. They are handling the job well and every person seems to be satisfied with what they are doing. I thought I should tell the minister that because on that one Saturday there was only one man in the office. He told me he had not expected there would be such a rush that day on the income tax office, and in order to save the other three employees he thought he would try to handle it himself. He said that he made a mistake and would never make it again. If we do not get a permanent income tax office in Peterborough I suggest that next year, and until we do get one, the branch office be opened some time in March and not just from the first of April. Then there will be more time in which to check returns. It is on Saturdays when there is a rush of farmers coming in from outside the city and also workingmen from the city itself. I think it would help a great deal. It would not mean extra expense because the people in the branch office are employees of the department anyway. Trouble would be avoided in looking after income tax returns at the Belleville office and the government would save money thereby instead of wasting it.

I have mentioned the fact that different departments of the government have not used businesslike methods in their accounting. They have not at any time. It might have been right when our budgets only called for $200 million or $300 million, but now that we are running up to $2,400 million we must have business methods in government because at the present time the government of Canada is big business.

Mr. J. I. Hetland (Humboldt): Mr. Speaker, listening to all parties in the house I have come to one conclusion, that we are all interested in more immigration. In fact the government seems to have clear sailing in the matter of amending the immigration laws. I should like to say a few words about German nationals. It is now five years since the war ended. Some say that the subject of German nationals is a ticklish question. Why should it be? We are trying to be friendly with the western part of Germany and are also trying to keep them from joining the communist group. How can we stop them if at this late date we call them enemies? There are a great many people in Canada of German descent, and it must be galling to them that we are still barring people of their nationality from this country.

Germans are good workers; they are honest and highly intelligent. By barring them we are losing a type of immigrant that we cannot afford to lose. Other countries are benefiting because of our immigration laws. These people are going to South America and elsewhere. German people assimilate very easily with other Canadians and take part in all our activities in the districts where they settle. If we brought them here they would not clutter up the labour market because they are mostly agriculturists. They also take pride in fending for themselves and rarely go on relief. Most Germans are religious and certainly are not communistic in their beliefs. They would be an asset to Canada. Furthermore our citizens of German origin are proud of Canada and would not easily turn to other beliefs and other ways of life. Other countries, especially the eastern block, are trying to tell them that they have something that we have not. There are great numbers of Germans in my constituency, and I have lived with them. I know what they are able to do. They have helped build up this country of ours, and most of them take pride in their work. They follow good farming practices, and intend to leave their farms to their sons in better shape than when they took them over. So let us offer them our hand in friendship and welcome them here, because we need them and they need us.

With respect to surpluses, often the opposition come up with suggestions which they think may help. I do not believe the government should throw out all those suggestions without giving them due consideration, because they may invite other suggestions, out of which we may get some solution to this problem. When an hon. member is sincere he should be given a fair hearing. With millions of underfed people in the world today, we should try in some way to help them. I have spoken with people who have been in China when famine struck that land. They have told of men going about the streets in the morning picking up the bodies of those who had died during the night, throwing them in carts and taking them to incinerators to be burned or to be buried. When we hear of such things we should be thankful that we live in a country like Canada; but we shall never be able to live in peace on this continent as long as there are hungry

people in the world. There are some things here we would like to make better, but on the whole our governments have steered the ship of state through all kinds of seas and brought it through in pretty good shape. We may still run into a few storms, but if we have faith and common sense I believe we can retain our high standard of living.

Now I should bring a matter to the attention of the Minister of Justice (Mr. Garson); that is the problem of drunken drivers on our highways, which is becoming almost our No. 1 problem. I know that to some extent it is a provincial matter, but they seem to be afraid to start anything that may have some effect on tourists coming to this country. I do not believe that would be the case, because I know a great many people today are very nervous when driving along our highways because they are afraid of meeting one of these drunken drivers. So I believe the federal government should step in and see that all the provinces have the same law. It seems that many drunken drivers get off because they are able to hire lawyers who find loopholes in the law so convictions cannot be obtained. If this parliament would bring in legislation that would permit our police to take an alcohol test, convictions would be obtained in almost all cases where drivers are under the influence of liquor. When I take my family out for a drive I do not think I should be in danger at all times because of these drunks. If they would only do away with themselves I would not worry or care, because the sooner we get rid of them the better; but they have no right to endanger the lives of others and deprive them of the pleasure of driving on our highways.

There is also another matter I should like to mention at this time; that is, pensions for the widows of members of the Royal Canadian Mounted Police. I know of a case in my own constituency of a sergeant who retired after serving on the force for thirty years and 250 days. His pension was $1,593 per annum. After retiring he came west to live in a small town because of the high cost of living. One day he suffered a stroke and died. The widow was left without a cent, and never received a nickel after her husband's death. He also left a few debts, and she had to sell some of her furniture in order to get clear. She had been under the doctor's care for most of her life, and spent considerable time in sanitariums in Ontario. She now has to work to support herself; and in order to supplement her wages a certain lodge—I do not think it would be parliamentary to mention the lodge, nor do I think I should do so—is giving her $30 per month.

Surely this country should give her at least what this lodge is giving her. Surely that organization should not be called upon to help support her. Hers must be a needy case for the lodge to take a hand. As it now stands, the law does not give this widow anything. I believe laws should be changed when they do not provide for cases of this kind. That law has been changed now to take care of the widows of future pensioners, but it does not provide for the widows of members who served on the force prior to March 1, 1949. According to the unwritten law I believe this widow should be entitled to one-third of her husband's pension.

There is a good deal of discussion at the present time about social security, and I believe the government is sincere in its intention to bring in such legislation after receiving the recommendations of the committee that has been set up. It has been suggested that a contributory system should be adopted. This, as everyone admits, presents many difficulties. How are we going to get everyone to contribute? How are we going to enforce payment by certain classes? It is easy to collect from the labouring people as long as the employers are willing to make the collections, but many classes do not receive wages. I believe the easiest way to obtain money for such a scheme would be through a special tax, which might be called a social security tax. This tax would not apply to food, but would apply to almost all other articles. All these things have to be paid for in one way or another. If a man wants to buy a car or a yacht he can always pay a little more by way of social security tax. In my opinion this would be the fairest kind of tax, and would reach most people able to pay. I believe a majority of our people would welcome a tax of this kind, as long as they knew it meant security and hospitalization when they needed it. Further, they would realize that we cannot get something for nothing, and that the more security they wanted the more it would cost them. There would be less criticism of the government in power, and much less work in administration.

With respect to the international situation, I believe that as soon as possible we should recognize communist China, and I believe this government will do that when it sees fit. If we showed the people of China that we wish to be friendly it would not necessarily be a sign of weakness. It might well be a sign of strength and confidence. For ages the Chinese people have been living under governments that have been corrupt in every way. Can we blame them when they accept

doctrines that promise them a certain standard of living? If we show a friendly hand, surely it will do more good than harm; and we have nothing to lose.

China with her millions of people could be a wonderful market for our products, and no effort should be spared to gain her confidence. China has a great many things that we could exchange for our goods, and thus avoid currency difficulties. India is another country that we should help. Otherwise, communism has a good chance of getting a foothold there.

In conclusion I might say that the future does not look too dark. I believe that we shall be able to cross our bridges when we come to them. We certainly are going to make mistakes, because no government is infallible. I believe, however, that the people of Canada have confidence in this government and that, whatever problems arise in the future, we shall be able to meet them with courage and fortitude so that we shall be able to continue our high standard of living and also to retain the friendship of other lands so that we can talk more of peace and less of war.

I do not believe that the people of any country want war. We in Canada certainly do not. We should at all times try to show the people of the world that we are only too glad to extend to them the hand of friendship and love.

(Translation):

Mr. Andre Gauthier (Lake St. John): I deem it my duty to take part in this debate. Since my last speech in the house, important events have happened. I am pleased to congratulate the government on the wise measures they have adopted particularly with regard to unemployment insurance for lumbermen. At the very beginning of this session, the government extended the provisions of the Unemployment Insurance Act to this class of workers. They even went one step further and made these provisions retroactive.

The lumbermen need some protection against the hazards of an industry which remains unstable and seasonal in character, in spite of certain tendencies in the opposite direction. In extending the provisions of the act to lumbermen, the government has shouldered its responsibilities and protected an impressive number of workers in my riding. I am happy, on behalf of this class of worker, to thank the government for this measure of justice and foresight.

[Mr. Hetland.]

The various amendments to the Unemployment Insurance Act have attained their aim in partially decreasing seasonal unemployment, which hits more severely the lumbering industry.

The Aluminum Company intends to undertake in the near future important projects in the Chûte au Diable district, which will solve for the present the problems of the working class.

But the farming class also has its problems. Since the government is keeping aware of the needs of every section of the Canadian people, and in view of the favourable way in which my requests have been received in the past, I am again confident in pleading the cause of our farming people.

Dairy farming is the basic industry in the constituency of Lake St. John and the most important one to the farmers. It is therefore not surprising that they should be highly interested in the price of milk, butter and cheese. In the past, owing to the excellent agricultural policies of the government, they have obtained a fair price for these products. The present instability of the market and a decline in the price of these products have brought about some degree of uneasiness among farmers. The price of feed and fertilizers remains high. It is easy to understand why the possibility of price gaps and the prospect of producing without profit, if not at a loss, should worry our farmers. I bring the matter of feed and fertilizers more particularly to the attention of the government so that every possible means may be taken to put these products within the reach of our farmers.

Through clubs in each parish of my constituency, the Union catholique des cultivateurs have asked me to urge the government to maintain floor prices on agricultural products, and on cheese in particular, at last year's level.

I take pleasure in acting as mouthpiece for the agricultural groups of the U.C.C. Agriculture is the Canadian economy's most stable industry. By helping to maintain the prosperity of the farmers, the government ensures the prosperity of the Canadian nation.

During the last session, Mr. Chairman, I urged old age pensions for all at age 65, without a means test. I am happy to note that the hon. the Minister of National Health and Welfare has moved that a committee be set up to make a complete investigation of the situation and to advise the government on

the policy to be followed. This committee will be given an excellent opportunity to suggest to the Minister of National Health and Welfare that steps be taken to protect those citizens who are invalids and those who suffer from some congenital or accidental infirmity. That is one social security measure that deserves to be carried out in the near future and the government would be well advised to give the matter its closest attention.

May I be permitted now,—and at this stage of my speech I am happy to see that the hon. the Minister of Transport (Mr. Chevrier) is in his seat,—to deal with a matter close to the heart of the people of the Saguenay-Lake St. John district, namely, the building of a railway between Chibougamau and Lake St. John. As a matter of fact, it is our duty, as Canadians, to encourage the development of our natural resources and the building of a railway between Chibougamau and Lake St. John. The government can make no mistake, since this mining area is already, without any doubt whatsoever, one of the most promising mining centres in Canada.

The natural economic outlet for the Chibougamau district is lake St. John. Historical rights, geographical reasons and economic interests all justify the building of a railway line up to lake St. John. Since 1897 explorers have always reached Chibougamau through lake St. John. As a matter of fact, even before the Abitibi district had been heavily settled, a proposal for a railway had been studied at lake St. John and submitted to the proper authorities. All those who are in good faith—and that is the case of everybody in the Abitibi district—admit the soundness of the demands made by the people from the Saguenay.

Hydroelectric power, the means of transportation such as planes, good roads and the water route of the Saguenay, all these reasons favour the selection of lake St. John as the natural outlet for the rich Chibougamau district. The wealth of a province should serve that province first, and those who suggest the building of a railroad to northern Ontario have surely forgotten that it would be wiser to keep for the lake St. John workers, and therefore, for the province of Quebec, the handling and processing of ore, the development of which has been made possible by the natural resources of the lake St. John district and the initiative of its people.

This project would also help agriculture, colonization and the lumber industry in the district between St. Felicien and Chibougamau. In the interest of the district, of the province of Quebec and of the country I would request the authorities concerned, that is the government, the hon. Minister of Transport and the Canadian National Railways, to give careful consideration to the building of a railroad between Chibougamau and lake St. John and to carry out this project in the near future.

I was speaking a moment ago on the subject of the Canadian nation. I would like before concluding to speak of one of its most essential characteristics, namely its sovereign rights.

During the last electoral campaign, I stood, like the Prime Minister himself, for a really and truly independent Canada, a Canada owned and governed by Canadians at all levels of authority. What I was saying then was not the result of political expediencies, but the expression of a deeply-rooted conviction.

The results of the federal-provincial conference of January filled me with pride and confidence in the future. It is to be hoped that the interested parties will continue to work in the same constructive spirit and with the same understanding of the various points of view of the different parts of the country. This moderation, understanding and enlightened patriotism will continue, I hope, to govern the future negotiations so that we may have a truly Canadian constitution which will be acceptable to all Canadians.

I regret that I was not in this house on April 17 when the hon. member for Ottawa East suggested that a committee be set up in order to select a distinctive national flag. I am glad however that the budget debate is flexible enough for me to deal with this question. We are at a momentous period of Canada's constitutional development and this is a most opportune time to give our country a distinctive Canadian flag.

The nationals of a truly sovereign country are duty bound to insist upon a symbol of their common ideals.

Our national unity, our people's aspirations, our past history, our soldiers' sacrifices on the battlefields, our political freedom, won at the price of heavy sacrifices, our national prestige, our genuine patriotism, are many reasons, Mr. Speaker, which call for an immediate and final decision about a truly Canadian flag.

Much has been said about national unity. In my opinion nothing is better calculated to cement national unity than a flag which can

truly and upon occasion serve as a rallying standard for all Canadians. The citizens of this country are proud to belong to this happy and fortunate Canadian nation. The best way to show this common pride is to see to it that it takes shape in an exclusively Canadian symbol.

What I have just said of the flag may be applied also to the national anthem. "O Canada" by Calixa Lavallee, in its English and French versions, would certainly be the happiest and most logical choice. It is now accepted in every part of this country and all that is required now to ensure its definite acceptance and confirmation is an official declaration by the government.

Mr. Chairman, this spirit of Canadianism and enlightened patriotism shown by the Prime Minister and his cabinet colleagues give me reason to expect, in the not too remote future, a complete and unrestricted national sovereignty. A natural and indispensable complement to this sovereignty logically and sensibly calls for the prompt adoption of a truly Canadian flag and a national anthem. Around this flag we shall build together, in a spirit of unity and brotherhood, a prosperous, independent Canada, a true world power.

(Text):

Mr. G. T. Fulford (Leeds): Mr. Speaker, so much has already been written and said about the budget that it is not my intention in this debate to criticize nor to applaud the efforts of our genial and very capable Minister of Finance (Mr. Abbott); but I would like to remind hon. members to compare our financial position with that of any of the other western democracies. When we observe our great neighbour to the south piling up annual deficits running into billions of dollars each successive year we can be quite satisfied with the amounts that have been written off our national debt in spite of considerable tax reductions since the war; and, furthermore, that Canada's budget again anticipates a surplus of some $20 million of revenue over expenditure with virtually no change in the tax structure.

What interested me particularly in the minister's carefully prepared presentation were two remarks pertaining to our foreign trade, and I shall quote him as reported in *Hansard* of March 28, 1950, at page 1208:

> Frankly we have been a little disappointed in the apparent inability of overseas countries to resume their traditional share of our import market during the past year.

[Mr. Gauthier (Lake St. John).]

Later on the same page appears this statement:

> Our overseas exports as a whole, however, were down by more than $100 million in these four months, and our overseas imports down by $12 million.

The four-month period referred to was November, 1949, to February, 1950, inclusive. Considering the quota and monetary restrictions so prevalent throughout the western world, but especially with regard to our traditionally best customers within the British commonwealth of nations, it is really a glorious achievement of the Minister of Trade and Commerce (Mr. Howe), the Minister of Agriculture (Mr. Gardiner), and Canadian industry that our foreign trade is being maintained at such a high level.

The fact that our exports to the United States are ever increasing should be most gratifying, because the goal may soon be reached which we have been striving to attain for so many yars, where the balance of trade may be equal or even in Canada's favour.

No one who saw the motion pictures shown in the railway committee room last month of the stupendous development in the iron ore areas of Labrador, or read of the great potential oil fields of Alberta and Saskatchewan, could help being impressed with the glorious future that lies ahead of us. We must never let ourselves become satisfied, however, because self-satisfaction leads to complacency, and real progress can only be attained by continually striving to expand our domestic and foreign markets.

Private enterprise has done a magnificent job in Canada, and private enterprise will continue to serve our best interests. While I am on the subject of private enterprise, Mr. Speaker, may I ask how these 13 members of the Conservative party are going to explain their position of having voted for the amendment of the C.C.F. leader to the resolution of the Minister of Trade and Commerce on April 18, an amendment which would have reimposed wartime controls on industry? In fact, one of the interesting features of this session has been the number of times the Conservative party has upheld motions and amendments of the C.C.F. party. Sometimes you would almost think that they were one.

Mr. Hodgson: How about your vote this afternoon?

Mr. Fulford: I am beginning to believe that some of my Conservative friends are like the Irish immigrant. When he was asked his politics he replied: "Faith, I don't know, but I'm agin the government."

Mr. Ferguson: So are we.

Mr. Fulford: I see you are.

Mr. Ferguson: You know it, too.

Mr. Fulford: I believe our government can assist both farmers and industrialists by negotiating more multilateral trade agreements, by granting further reciprocal arrangements, and even by barter with certain nations if the occasion should warrant such action.

At this point I should like to pay special tribute to the personnel of our diplomatic corps and of our trade commissioners, and to urge the government to increase the number of our Canadian offices abroad. I have been associated with a business that has connections in practically all democracies of the world, and I can assure all hon. members through you, Mr. Speaker, that it is impossible to calculate the aid that Canadian firms have received from our trade commissioners. The diplomatic prestige of Canada is out of all proportion to our population, and too much credit cannot be given to our Department of External Affairs for the calibre of the men chosen and trained to represent us in our embassies and legations. I should like to offer as a suggestion that Canada's trade commissioners and diplomatic corps be more closely integrated even to the point of complete amalgamation so that promotions can be made from one branch of the service to the other.

I should now like to point out a certain area where latent markets do exist that have not as yet been fully realized, or perhaps I should say where our trade is being severely curtailed. We must bear in mind that Marshall aid money to Europe will end in two years, and as a result a large source of United States dollars now supplying Canada will then cease to exist. We must be prepared for this eventuality, and therefore any latent markets must be surveyed and developed. I refer to the possibility and advisability of greatly improving our trade relations with the British American territories from Bermuda in the north to British Guiana in the south.

I shall now digress for a moment to explain the financial position of other dominions within the commonwealth. At the conclusion of the first world war there were vast German possessions in Africa and the south Pacific which were surrendered under the terms of the peace treaty. The Union of South Africa gained a mandate over South West Africa which embraces an area of over 317,000 square miles with a population of 318,000, of which nearly 31,000 are of European extraction. Although certain local administrative and legislative powers were granted this territory, the Union of South Africa under article 2 of the mandate—

> —shall have full power of administration and legislation over the territory subject to the present mandate as an integral portion of the Union of South Africa and may apply the laws of the Union of South Africa to the territory, subject to such local modifications as circumstances may require.

Thus, our sister nation within the commonwealth obtained not only a great additional territory but also a tremendous potential market in which to buy and sell.

New Zealand first obtained territorial expansion in 1901 when Great Britain under the Boundaries Act of 1895 allowed another sister dominion to annex the Cook islands, a group of fifteen islands in the south Pacific and Niue with a total area of about 200 square miles and a combined population of over 18,000.

When western Samoa was surrendered by Germany after the first world war, New Zealand was given the administration of this territory which consists of two main islands and several smaller ones with a combined area of about 1,200 square miles and an estimated population of over 71,000 according to the 1947 census.

Trade with these territories has shown a consistent upward trend with exports showing a favourable balance over imports for some years. This trade is strictly regulated by the New Zealand government and the importation and exportation of goods is permitted only under licence with countries other than New Zealand.

Ross dependency was granted New Zealand in 1923. This territory in Antarctica has an area of 175,000 square miles but is completely uninhabited. It affords land bases for whaling operations where an annual fee of 200 pounds is charged for each expedition and a royalty of 2s. 6d. for each barrel of whale oil produced.

Of all the commonwealth nations Australia has gained the most in additional territories being brought under the federal administration. Norfolk, a tiny island between Australia and New Zealand, was created a distinct and separate settlement in 1856 under the jurisdiction of New South Wales, and in 1913 was accepted as a federal territory of Australia. Small as the island is, with an area of only 8,500 acres and a total population of 938, it has proven to be a valuable tourist resort and land station for the "All Red Cable" from Great Britain to Australia and New Zealand via Vancouver.

Papua was the first territory of treaty importance to come under the authority of

the Australian commonwealth, when in 1906 it was accepted by proclamation by the government. It has an area of over 90,000 square miles comprising 87,000 on the main island and 2,800 on adjacent islands. The official population is estimated at 300,000, of whom only 3,000 are whites. Much of the revenue of the territory is raised from import duties and Australia grants free entry into Australia of certain goods produced and imported direct from Papua. The trade statement of 1941 shows imports exceeding exports but Papua has large mineral deposits and potential natural resources which remain to be developed and which include gold and copper.

In September 1914 the acting governor of German New Guinea capitulated to the officer commanding a naval and military expedition sent from Australia, and thereafter the territory was under military administration until the establishment of civil government in 1921.

The territory has an area of about 93,000 square miles comprising northeast New Guinea, the Bismarck Archipelago and the Solomon islands. The total population is over 680,000 of whom only 3,400 are white.

The territory is rich in natural resources and the ratio of exports to imports averages over three to one with Australia obtaining the vast bulk of both exports and imports.

Great Britain, Australia and New Zealand have joint jurisdiction over Nauru, formerly part of the protectorate of German New Guinea. The island has only an area of 5,200 acres with a total population of 2,800 but valuable deposits of phosphates are worked with the entire normal annual production of over one million tons going to Australia and New Zealand. It may be of interest to note that although the territory is under a joint administration the complete authority is vested in the federal government of Australia.

Mr. Speaker, at no time has Canada sought or been offered additional territory beyond the confines of British North America; nor do I suggest for a moment that we should even make such a demand. I do feel very strongly on the subject, however, that we are being deliberately refused the right to trade with the British West Indies on an equitable basis and I am assured many West Indies business firms resent the fact that their markets are being denied us. What good are the preferential tariffs granted us if import and export restrictions are created against us under the guise of currency controls? As I have pointed out South Africa, New Zealand and Australia have all been ceded territory which virtually amount to colonial possessions and from which they derive no uncertain trade advantages.

No one could conceive of Canada having any ambitions of colonial expansion, although from time to time one hears the suggestion that the British West Indies come into our confederation as the eleventh province. The difficulties in this are so manifold that I am afraid such a suggestion is impractical but by no means impossible should the colonies themselves express such a desire.

At present there are no less than nine separate territorial administrations each charging customs duties against the others, so trade between them is carried on in a most uneconomical way. Of the nine colonial groups British Guiana and British Honduras with a total area of nearly 92,000 square miles are on the mainland of South America and Central America respectively. The other seven are islands or groups of islands consisting of Bermuda, Bahamas, Jamaica—including the Turks, Caicos and Cayman islands, —Trinidad and Tobago, Barbados, Leeward islands and Windward islands with a total area of about 12,500 square miles. The combined estimated population in 1946 of all nine administrations was nearly 3 million of whom the vast majority are of African origin. In fact living conditions are exceedingly low in the British West Indies compared to our standards, and purchasing power is correspondingly meagre. An examination of the West Indies Year Book for 1947-48 shows that imports exceed exports in almost every colony, which is not a healthy condition and one which must be remedied by the building up of local enterprises.

I might say at this point that in the case of trade with Canada at the present time our imports from the British West Indies exceed our exports. I have been told by travellers and others that much must be done to modernize plant equipment and that modern electric power plants are a vital necessity. The Canadian Department of Trade and Commerce is fully cognizant of the trade possibilities existing in the British West Indies and has accomplished a great feat in increasing our trade to the extent shown by the figures published by that department.

I shall not give the annual figures, but it is interesting to compare 1938 with 1948. In the former year our total trade with the British West Indies amounted to approximately $34 million of which $14 million were exports and $20 million imports. In 1948 this trade figure had increased to $100 million, of which $58 million were exports and $42 million imports. In 1949, when Great Britain severely restricted imports from Canada, the

total trade figure had increased to $105 million, but the trend was completely reversed as regards exports, which had fallen to $43 million, whereas our imports had increased to $62 million, a difference of nearly $20 million in favour of the British West Indies.

An honest effort is being made by Canada to increase purchases from the British West Indies as is evidenced by the fact that virtually all our sugar requirements for 1950 are to be purchased from that source. We have further increased our imports of canned citrus fruit juice and I believe there are still more products that we could buy from the same source, such as cotton, coffee, coconut oils and petroleum, but in return positive guarantee must be given that Canadian dollars so earned will be used to acquire Canadian agricultural products, machines of production, and electrical equipment. At present all dollars earned in the Caribbean area are transmitted to London to be put in a general pool for the entire sterling area of the commonwealth, a policy which our government should use pressure to see is abolished or greatly modified by the British colonial office.

Canada and Canadians are popular with the people of the West Indies. For the last two years of the second world war the Brockville Rifles were garrisoned on the island of Jamaica where the battalion was treated with respect and held in high esteem in spite of the fact that our men were there to maintain law and order. There is undoubtedly unrest in many parts of the colonies which is natural where people are forced to live in poverty and want. That this unrest is real can be best shown in the editorials and news stories appearing in the leading papers of the various colonies. I have a number of editorials right here on my desk, but I do not intend to quote them all. However, I should like to quote in its entirety an editorial from the Sunday *Guardian*, Port of Spain, Trinidad, of January 15, 1950, which summarizes the general trend of thought in the colonies. This editorial reads:

Give us Economic Union With Canada

The West Indies sugar talks in London have ended on a note of pessimism contrasting strangely with the buoyant hopes aroused by the United Kingdom government's August, 1949, statement. It seemed then that we were assured a long-term agreement and special consideration with regard to quantities in view of the vital place the United Kingdom government acknowledged sugar to hold in the West Indian economy. These hopes have been crushed and the B.W.I. deputation are leaving the mother country today without an agreement. What is more, the ministry of food has demurred about the talks being postponed to allow time for consultations in the West Indies before acceptance of the United Kingdom terms.

Much could be written about this inglorious ending to the sugar talks, whereby the West Indies are confronted with a cut in their export quota after the existing contract expires in 1952, while Britain in effect is offering Cuba and Santo Domingo a market for 500,000 tons a year. But invective can be kept for another occasion. The big question is, what are the West Indies going to do about the sugar situation? It is evident we can no longer rely on the mother country for reciprocal treatment of our major agricultural product, in spite of the high prices and marketing monopoly we are forced to concede to British goods. From now on the West Indies must depend less on Britain and turn their eyes to another quarter. Where better than to the Dominion of Canada, with which we have had long and cordial economic and cultural relations?

In view of the failure of the sugar talks, the Hon. Dr. P. V. J. Solomon has given notice in the Trinidad legislative council of a motion urging that trade negotiations be instituted for disposal of our exportable products in countries other than the United Kingdom, and asking for a larger allocation of hard currency for purchases outside the sterling area. While we are in full sympathy with the motion, it should be clear that more dollar exchange would make little difference to the West Indies today because of devaluation. The suggestion for trade discussions with other countries, however, ought to be acted upon.

The possibility of an agreement with Venezuela for the purchase of Trinidad sugar is already being canvassed, and the consul general for that country in Port of Spain seems hopeful that a contract will be negotiated. This might indicate a line of action which could profitably be pursued. Much more than this is needed, however, if Trinidad and the other British Caribbean colonies are to achieve the economic stability which can only come from assured export markets and reasonable financial returns. Instead of asking at this stage for more dollars, the B.W.I. should unite in sending a strong representative deputation to Canada to sound out the prospects for some form of economic union with that dominion.

This idea, in fact, is inexorably taking shape as an imperative necessity for the British Caribbean. The benefits of having our security linked with the Canadian dollar are evident, and Canada has shown an interest in these colonies which leads us to hope she may be willing to consider such an arrangement. The West Indies offer a sizeable market for Canadian goods, and these colonies have products to sell in which the dominion is interested. Then let the West Indies act at once and together in this matter. Let there be a vigorous stir throughout the British Caribbean to go to Canada and place our cards on the table, face up. There is nothing to prevent our doing this; on the contrary, the sugar ultimatum from London drives us to it as a means of simple self-preservation.

As you will see, the present trend of thought is for closer economic unity with Canada and I know of no better time than now to press for this aim. I understand that the Canadian-British West Indies trade treaty is soon to come up for renewal and certainly the best reciprocal terms should be arranged along with the demand that the British West Indies be allowed to purchase at least as much from us as we have been buying from them. An unfortunate economic situation exists amongst the nine different colonial administrations whereby each has its own customs duties—and separate income taxes as well—which are levied not only against nations outside the Caribbean but also against each other.

A system of uniform tariffs must be adopted if the West Indies are to achieve the greatest economic stability and at the same time create equal opportunities for Canada's trade with each colonial administration.

That a substantial market for our agricultural products exists is evidenced by the fact of our exports to the British West Indies during the war, and that these imports into the West Indies area are being seriously curtailed now there can be no doubt. Because of the currency restrictions many articles such as wheat flour, potatoes, butter, cheese, dried fish and evaporated milk are now being replaced by similar products from New Zealand, Australia and other soft currency countries. In the particular case of evaporated milk I know positively that importers have been issued instructions to buy this product from Holland. Naturally this is resulting in the loss of a valuable market to the farmers and manufacturers of this Canadian commodity. Butter is another dairy product which Canada could supply but it is now shipped halfway around the world from New Zealand to the markets of the British West Indies.

That the West Indian himself is not in accord with the British policy is forcibly expressed in a recent prize winning calypso song. I might explain that the calypso song is a method by which the West Indian expresses his thoughts and political views, and I should like to quote one of these songs taken from page 27 of the Canadian edition of *Time* of February 27, 1950. There are prizes given each year for the best calypso song, and I now wish to quote the one that won the prize for 1950 in the island of Trinidad. The title is:

Give up the West Indies, Britain

The text of the song is:

In England the people live happily
They get doctor, medicine and dentist free . . .
While down here three-quarters of the population . . .
Dying out from disease and malnutrition . . .
I'm warning Great Britain, don't leave us for long
Or they'll wake up one morning and find these islands gone.
If they won't help us in our difficulties
Why don't they give up the West Indies?
I don't think I am so loyal today,
I don't mind this island being taken by the U.S.A.,
For one thing at least I feel confidentially,
We would sing our native songs in tranquillity.

The thoughts contained in this song are worthy of most serious consideration not only by the British but particularly by Canadians. We have proven that we are ready and willing to furnish what is most needed to help the British West Indies in supplying them with those commodities which will do much to give them economic stability. We definitely do not wish territorial expansion but in all justice we should be given the right to trade with those who wish to trade with us. It is a known fact that we have much to offer them and if we can help them by our efforts we shall do much to raise their standards of living, thus increase their purchasing power, and at the same time quiet the unrest that seems to be becoming so general throughout the colonies.

I do not believe, Mr. Speaker, that these are unfair questions to ponder. What would be the reactions of the Afrikaans if South West Africa were forced by the colonial office to restrict its imports from the Union of South Africa? How would Australia feel if she were suddenly cut off from Papua and New Guinea? Would New Zealand stand idly by if trade privileges were curtailed with the Cook islands and western Samoa, or if she could no longer collect fees from the whaling expeditions in the Ross dependency? I am sure the answers to all these questions would be the same, and I am equally certain violent dissension would result. True, the matter of Canadian dollars versus pounds sterling is involved. But, Mr. Speaker, we are at the moment buying more from the West Indies than we are selling, and I repeat that we should be allowed to balance our trade on a fair and equitable basis.

I can only say in conclusion that I feel great mutual benefit will result if we can attain the right of freer trade relations with all sections of these territories comprising the British West Indies and stretching right from Bermuda to British Guiana.

Mr. Frank T. Stanfield (Colchester-Hants): Mr. Speaker, I thought I should take part in the debate tonight because two or three times lately I have been taken for a senator, and I do not think any harm will be done if I get a few lines on *Hansard*. About two weeks ago I had to visit one of the departments, and I was talking with a gentleman there who persisted in calling me "senator". He kept referring to me as "senator", and when I was leaving he said, "I will write you and let you know about that, senator." I said, "I am sorry, but I am not a senator and I hope I shall never be." I thought perhaps it would be just as well for me to get a few more speeches in *Hansard* and then I would not be taken for a senator. The only reason I know of why I might be taken for a senator is that my uncle was a member of the Senate some twenty years ago. I believe he was there around 1934.

There are two or three observations I should like to make with regard to the budget.

The first is that the minister gave us a figure of 12 per cent representing salaries and wages that the government pays. I take it that refers to the salaries and wages of permanent and non-permanent civil servants. I thought it was a fairly reasonable figure, and I came to the conclusion that the civil service was giving the taxpayers pretty good value for their money, provided that the figure of 12 per cent is what I think it is. It would be very interesting to take the budget of 1938 and see how it compares with today as to that figure. I would think it would likely represent more than 12 per cent of the budget in those days.

We often hear civil servants referred to as people who do not work very hard, that they are a leisurely crew and all the rest of it. Personally I think that just the opposite is the case. I have found these ladies and gentlemen to be most courteous and I believe they are a hard-working lot. Some of them work a lot harder than I would care to. Therefore I do not think we are overpaying our civil servants at all. I do not think it is the civil servant who is wasting the taxpayers' money. It is our Liberal politicians. I do not say that the cost of government could not be cut down even lower than 12 per cent. Goodness knows we have a lot more departments of government and ministers now than we ever had before. If you go back to the year 1911, we had seven million people in Canada at that time. It is now 1950, and I do not believe we have more than thirteen million people today. Yet we have many more departments and ministers to govern the country now than we had then, and how much better are we being governed? I do not think the average citizen is getting any more help from the government than he did in 1911. It is time that a lot of the departments that are not absolutely necessary should be done away with in the interests of economy. I do not want to lay any blame on the civil servants. I think the figure of 12 per cent of the budget for the payroll which the minister gave us is not out of the way for everything that civil servants are called upon to do today.

There is another point the minister mentioned that I did not like at all. He did not think the cost of running the government could be cut below the $2,400 million he has estimated for the coming year. He said he thought expenditures had been pretty well pared, and did not see how they could get under that figure. Most of us do not want to have to go on paying the heavy taxes we pay today, so that statement by the minister was not very promising. I am not saying we are going to have a recession, but if we should our revenues will fall off materially, both from corporation and income taxes. If that should happen we would be faced with two alternatives, either deficit financing or increased taxes; and, as I have said, most of us are tired of paying high taxes. After all, who pay most of the taxes? It is the men with incomes of $3,000, $4,000, $5,000, $6,000 or $7,000 a year, and today those men are having a pretty hard time to get along. Any thought of having to pay higher taxes certainly does not make them very happy; so if the minister is right it seems to me our only hope for lower taxation is through a greater inflation or an expanded economy. That may be pretty hard to bring about, because we are pretty well up the ladder at the present time, so I certainly hope the government can find ways of reducing its expenditures rather than raise taxes any higher.

I see the Minister of Agriculture (Mr. Gardiner) is in his place; and speaking for my province of Nova Scotia I want to thank him for the interest he has taken in our marshlands. He set up a commission headed by engineers which has outlined a program to reclaim our marshes. That will be of great help to us in Nova Scotia because, as I have said many times, we have not too much land suitable for farming. Much of it is submarginal and good only for growing spruce trees and things of that kind. The farmland that was always the most profitable is in the counties of Cumberland, Colchester, Hants and Kings, where there is a great deal of marshland. When you drive through those sections of the province it is easy to see that they are much more prosperous than the inland or upland farms. Really I do not know how many of the people on the upland farms have been able to live all these years. Certainly they have had a very hard time. We in Nova Scotia do not produce nearly enough to meet our own needs, and we hope the minister may be able to bring in a few Danish and Dutch farmers for settlement in these new areas, because they are accustomed to working that kind of land.

The Minister of Transport (Mr. Chevrier) is not in his place, but I am going to mention the matter of the Canso bridge. I see the government has said that this bridge cannot be built because the trans-Canada highway requires a 24-foot roadway across it. To me that excuse seems pretty lame. I think that Canso bridge was just an election promise for last year, and I do not believe the government ever had any intention of building it. Anyone taking the trouble to study the tides and currents and ice and other hazards in the

strait of Canso can easily understand why a low level bridge fourteen or fifteen feet above high water level cannot be built. The ice would pile up on the piers and take out that bridge the first spring it was there. They built a bridge something like that out in Vancouver and have had a great deal of trouble with it ever since. If they had that much trouble out there, how much more trouble would they have in the strait of Canso? Some day a bridge will be built, but I am afraid it will cost a great deal more than the proposal put forth by the government. Personally I never looked for the bridge to be commenced under the plans outlined in the house by the minister.

The next thing I want to talk about is the matter of freight rates. I do not know whether we are allowed to speak about freight rates at this time; but in any case it is eleven o'clock, Mr. Speaker, and I move the adjournment of the debate.

Motion agreed to and debate adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we shall continue this debate.

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

HOUSE OF COMMONS

Tuesday, April 25, 1950

The house met at three o'clock.

ANZAC DAY

COMMEMORATION OF SERVICES OF PEOPLE OF AUSTRALIA AND NEW ZEALAND IN TWO WORLD WARS

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, before proceeding with the order of business, I am sure that hon. members would wish to join in the commemoration of a day that means a great deal to the sister dominions of Australia and New Zealand. As everyone is aware, this is Anzac day, which not only commemorates the landing in Gallipoli, but also is celebrated in every part of Australia and New Zealand as a day of commemoration of the services given by their people to the cause of freedom in two world wars.

It was thirty-five years ago this morning that the troops of Australia and New Zealand landed on the beaches at Gallipoli, which they held for many months in one of the most trying and tragic battles of the first world war. I have risen simply to express my own respect for the traditions which they keep alive so carefully, and to convey to all our friends in Australia and New Zealand, and particularly those who have come to this country to live, our feeling of admiration of the gallant efforts of their men and women in a common service in which our own men and women bore their full share.

For us, too, this is one of those memorable days which stand out on the pages of history as evidence of the extent to which people are prepared to sacrifice everything for the preservation of their own freedom.

Hon. Humphrey Mitchell (Minister of Labour): Mr. Speaker, I join with the leader of the opposition (Mr. Drew) in commemorating that famous day, April 25, at Gallipoli. I happened to land with the Australians and New Zealanders at Gaba Tepe on that day, and I well recollect the first two attacks on Egypt by the Turks and Germans in which engagement the New Zealanders and Australians took part.

I join in every word my good friend has said with respect to the contribution made by our sister dominions in that great struggle of 1914-18. I am sure that if liberty is ever again at stake, all decent and free peoples will see to it that the free institutions given to the world, in the main by our people, will be maintained so that freedom may prevail in the days to come.

RAILWAYS, CANALS AND TELEGRAPH LINES

FIRST AND SECOND REPORTS OF STANDING COMMITTEE—CONCURRENCE IN FIRST REPORT

Mr. L. O. Breithaupt (Waterloo North) presented the first and second reports of the standing committee on railways, canals and telegraph lines, and moved that the first report be concurred in.

Motion agreed to.

TRANS-CANADA HIGHWAY

TABLING OF AGREEMENTS BETWEEN FEDERAL AND PROVINCIAL GOVERNMENTS

Mr. George Prudham (Parliamentary Assistant to the Minister of Resources and Development): Mr. Speaker, on behalf of the Minister of Resources and Development I should like to lay on the table two copies of the trans-Canada highway agreement, signed yesterday, April 24, by the government of Canada and six provincial governments.

MOTOR VEHICLES

REPORTED IMPORTATIONS FROM CZECHOSLOVAKIA

On the orders of the day:

Mr. D. F. Brown (Essex West): Mr. Speaker, I should like to ask a question of the Minister of National Revenue (Mr. McCann) of which, I regret, I have not given notice. Because of its importance, however, I would appreciate an answer. Have any automobiles, trucks or other motor vehicles recently been imported into Canada from Czechoslovakia? If so, by whom and for what purpose?

Mr. Speaker: Order. Unless there is some urgency in the matter I believe that is a question which should be put on the order paper.

Mr. Brown (Essex West): I think there is sufficient urgency to require an answer from the minister.

Inquiries of the Ministry

CANADA SHIPPING ACT

RADIO EQUIPMENT—QUESTION AS TO INTRODUCTION OF AMENDMENTS

On the orders of the day:

Mr. Angus MacInnis (Vancouver East): I should like to ask a question of the Minister of Transport. Is it the intention of the minister to bring down a bill to amend the Canada Shipping Act, as indicated in the speech from the throne? If so, will there be an amendment to section 706, which deals with radio equipment?

Hon. Lionel Chevrier (Minister of Transport): I believe I answered a similar question last Friday, at which time I stated that I did intend to introduce a bill at this session to amend the Canada Shipping Act. It is now in course of preparation, and I hope it will be on the order paper in the not too distant future. There are some amendments affecting the question my hon. friend has in mind. Whether or not they will meet with his approval, I am unable to say.

GRASSHOPPERS

MENACE TO CROPS IN SASKATCHEWAN—REQUEST FOR FEDERAL ASSISTANCE

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to ask a question of the Minister of Agriculture, arising out of a press dispatch of yesterday's date from Saskatchewan, to the effect that one of the departmental officials has stated that the prospects for crops in Saskatchewan, by reason of the grasshopper menace, are the worst in that province since the early thirties. Will the minister give consideration to providing national assistance to alleviate what would be a national disaster, if the belief of his representative in Saskatchewan is borne out by the fact?

Right Hon. J. G. Gardiner (Minister of Agriculture): This same question was asked on three occasions during the last session. I do not know just what my hon. friend has in mind. Grasshoppers have been fought in Saskatchewan by the provincial government during the whole of the history of that province, and they are still being fought by the provincial government. At no time has any official representation been made to me that it should be done otherwise. In other words, I assume that the government they have in Saskatchewan, which is not good enough to suit me, is good enough to fight grasshoppers.

Mr. Coldwell: May I ask the minister if they did not fight them pretty successfully last year?

[Mr. Brown (Essex West).]

SEED GRAIN

FREIGHT ASSISTANCE ON SHIPMENTS INTO SASKATCHEWAN

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to ask a question of the Minister of Agriculture. In view of the shortage of seed grain in the southwestern drought area section of Saskatchewan, is the government considering paying freight on the shipment of seed grain into those areas in somewhat the same manner as it is now paying freight on feed grains to eastern Canada?

Right Hon. J. G. Gardiner (Minister of Agriculture): I do not wish to repeat what I said a moment ago, but this question was asked on three or four occasions last year, and from, I think, the same source. The government out there has taken care of that situation as well, and, I think, to the satisfaction of most of the people.

DOUKHOBORS

UNLAWFUL ACTS IN BRITISH COLUMBIA—QUESTION AS TO FEDERAL ASSISTANCE

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): I should like to direct a question to the Minister of Justice, and I am sorry I was not able to give him notice. The situation in British Columbia in connection with the Doukhobors seems to be growing more serious every day. Is the dominion government taking any steps to help the provincial government in that connection?

Hon. Stuart S. Garson (Minister of Justice): I should think it would be quite clear from a perusal of the newspapers that ever since last December, or even before, we have been assisting British Columbia government authorities in those respects in which they asked for assistance, and this has been done at their request.

DAIRY INDUSTRY

MEETING OF DELEGATION WITH MINISTER OF AGRICULTURE

On the orders of the day:

Mr. L. E. Cardiff (Huron North): Mr. Speaker, I understand that the Minister of Agriculture met a delegation of dairymen yesterday. I should like to ask if he is in position to make a statement with regard to any decision that may have been reached.

Right Hon. J. G. Gardiner (Minister of Agriculture): I did meet a delegation yesterday, and I met the advisory committee this morning. I shall not be in position to make an announcement before tomorrow.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Monday, April 24, consideration of the motion of Hon. Douglas Abbott (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Macdonnell (Greenwood), and the amendment to the amendment of Mr. Coldwell.

Mr. Frank T. Stanfield (Colchester-Hants): Mr. Speaker, when eleven o'clock came along last evening I was attempting to make a few observations with respect to freight rates as they affect the maritime provinces.

Mr. Speaker: The hon. member seemed to be in doubt last night as to whether it would be in order to discuss freight rates at this time. I believe the question is before the courts and therefore would be sub judice.

Mr. Stanfield: Coal mining is one of the essential industries in Nova Scotia, and along with steel it has a great deal to do with the economic prosperity of the people living in that province. Quebec and Ontario provide the markets upon which we must depend to dispose of the coal not used in the maritimes. In late years the government has been good enough to provide subventions to permit us to bring our coal to Montreal and Toronto and Ontario and Quebec in general.

We are faced with many disadvantages in mining coal in Nova Scotia. There are approximately 12,000 coal miners in Nova Scotia, and they produce approximately 6,750,000 tons of coal per year. There are perhaps another 1,000 miners in New Brunswick. In Alberta they produce something like 12 million tons of coal, and they employ approximately 9,500 miners. It will be seen that a miner in western Canada produces about twice as much coal as the miner in Nova Scotia. Most of the coal used in Ontario and Quebec is brought in from the United States. A miner in the United States produces from eight to twelve tons per day.

That is the obstacle we have to overcome in Nova Scotia. Our mines are deep and they run under the sea. In some mines they have to pump three tons of water for every ton of coal brought to the surface. The miners and companies in Nova Scotia realize that new mines will have to be opened and that many other mines will have to be mechanized if they are to compete in the Ontario and Quebec markets with United States coal.

I ask the minister and every hon. member of this house to give their best consideration to the providing of sufficient subventions so that we can bring as much as possible of our coal to Ontario and Quebec. I believe that last year 18 million tons of coal were brought in from the United States to Ontario and Quebec, roughly three times as much as is produced in the maritime provinces. If Nova Scotia could manage to dispose of another five or six million tons of coal in those provinces it would mean a great deal to the mining centres and to the economic life of our province as a whole. I hope that when the time comes the minister and the government as a whole will give every consideration to devising means of moving as much Nova Scotia coal as possible to the central regions of Canada to displace United States coal. We all live together in this country, and we all hope that we can get along as a single unit.

I should like to correct a statement made by a Liberal member that the Cuban market was lost by the action of a Conservative statesman from Nova Scotia, the late Hon. E. N. Rhodes. That statement is not correct. In the early twenties the Liberal government, through the great energies and hard work of the late Senator Logan and a few other Liberals, brought about the West Indies treaty. By that treaty we stopped buying a great deal of our sugar and other products from Cuba, and as a result the Cubans cut off our markets.

I think I can safely say that the Cuban market was of greater value to the maritimes than the West Indies market, although we did and do appreciate the West Indies market. I simply wanted to correct the observation made, I think by the hon. member for Annapolis-Kings (Mr. Elderkin), that it was through the actions of the Conservatives that our Cuban market was lost. I assure the house that the Conservatives had nothing whatever to do with it; they were not in power in Ottawa when the West Indies treaty came into effect.

Nova Scotia—and perhaps this applies to the maritime provinces generally—was interested in the English market. If we are going to have the same degree of prosperity in the maritimes as prevails in the rest of Canada it seems to me that we must retain the English market, as well as develop the United States market to the fullest extent that we possibly can. Any other market that we may reach is of secondary importance.

It is true that last year our exports to Great Britain amounted to $700 million, which is a lot of money. In the case of the United States I believe the figure was $1,400 million, practically twice as much as to Great Britain. With 150 million people living to the south of us naturally our exports to that

country are bound to increase, and the market there is bound to become more and more important to us. There are certain things, however, that the United States market will not buy from us. They do not want our apples, pit props, wheat, cheese and a lot of other things. Therefore the retaining and developing of the English market is certainly of great importance, not only to the people of Nova Scotia and the other maritime provinces, but also to the people of Canada generally.

Because of a shortage of dollars on the part of the British, exports from the maritime provinces to Great Britain have been hard hit. In fact we have lost many of the markets altogether, such as those for apples, pit props and long lumber. I believe that some long lumber will be shipped from the maritimes this summer to Great Britain, but it is a very small amount compared with what it used to be. The loss of these markets is a serious blow to a great many people. I realize that the shortage of dollars required by England is not an easy thing to overcome. Evidently she is buying newsprint, aluminum, lead, zinc and many manufactured commodities rather than the food supplies, lumber and raw materials that she used to purchase in the old days. If the people of Nova Scotia are to be prosperous, they must have that market for many of their commodities. We all hope that the Minister of Trade and Commerce (Mr. Howe) and the Minister of Agriculture (Mr. Gardiner) can recover these markets for the maritime provinces. If we do not, the people of that region will have to find something else to do. Goodness knows we have had enough shifting of population in Nova Scotia without having to start it all over again.

In the days of the wooden ships everything was prosperous. We then had the days when people could not live on small farms any longer and had to leave the back settlements. They went to the larger towns of the United States, to western Canada and elsewhere. If we have to start again to regroup many of our industries in the maritime provinces, it is going to be a pretty tough proposition.

There is another development that I think could be very well carried a lot further in Nova Scotia and the maritimes generally. I refer to the tourist industry. We perhaps have not enough good accommodation to attract many United States people to Nova Scotia to spend their vacations there. It is true we have a great many more summer resorts than we had a few years ago, and the accommodation is improving all the time. We have good roads, and our scenery is as fine as you will find anywhere. I feel that the government of Nova Scotia is more interested in improving accommodation for tourists than it is in building better highways at the present time. It has been suggested at different times that rather than spend money in Nova Scotia on the trans-Canada highway it would be preferable if the money could be used to develop tourist resorts and hotels in all the counties of the province. It would pay handsome dividends by way of returns to our people, and greatly enlarge our tourist trade. It would also increase our supply of badly needed United States dollars.

I believe it is correct to say that the state of Minnesota alone has a larger tourist trade than all the provinces of Canada combined. We have just scratched the surface of this industry so far as the maritime provinces are concerned. I believe the Minister of Resources and Development (Mr. Winters) would be well advised to give his best attention, in co-operation with the governments of the maritime provinces, to increasing our tourist traffic.

I had intended to say something as to the forests of Nova Scotia, but I shall leave that for discussion under the estimates or at some other time. I wish to thank you, Mr. Speaker, and, through you, thank the house for its kind attention.

Mr. Rooney: Will the hon. member permit a question concerning Nova Scotia coal?

Mr. Stanfield: Yes, if I can answer it.

Mr. Rooney: Some years ago I brought to Toronto the first coke made in Montreal from Nova Scotia coal. Around that time the government had made provision for the subsidizing of a coking plant in the city of Toronto to use a certain amount of Canadian coal. The subsidy was to be payable at the rate of five per cent for twelve years, or, in other words, sixty per cent of the total capital investment. I am drawing on my memory, and this is quite a few years ago, but I pictured at that time that we might have a fleet of small boats running from Montreal during the summer to bring Nova Scotia coal to Toronto, thus cutting down the freight charge and allowing the coal to compete with other coals available in the city of Toronto. I was interested in the hon. member's address, and I was wondering if this would not be a proper thing to do in order to help the sale of Nova Scotia coal in Ontario.

Mr. Stanfield: That would be a hard question for me to answer, since I am not a coal expert. But I am sure that if any way could be found by which more Nova Scotia coal would be used in Toronto, it would be greatly appreciated, not only by the miners but by all the people of Nova Scotia.

Mr. Hansell: How about Alberta coal?

Mr. Stanfield: That is good coal, too, but we in Nova Scotia have to look after ourselves once in a while.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I desire to participate in this debate in order to make a few comments on two announcements made recently by the Minister of Trade and Commerce (Mr. Howe).

I refer to the announcements made by the minister as to the government's wheat policy for the coming year. While I was at home during the Easter recess many farmers told me they were disappointed indeed that the government had seen fit to drop the initial price of wheat for this crop year by 35 cents a bushel. I should say the farmers to whom I spoke were not only disappointed; they were even angry to think that the price was being reduced particularly because of the fact that for the last few years as a result of the government's price control and stabilization policy, they had taken a lower price for wheat.

I believe the wheat policy of the government announced for this year can be criticized on two main grounds: first, that the initial price is too low, and second, that a floor price should have been set for the three-year period instead of being established from one year to the next. Over the years the farmers of western Canada have fought hard to obtain a wheat board to market all their grain. They have fought hard, too, for an initial price which would bear a fair and proper relationship to their cost of production. The farmers were first successful in having a wheat board established to handle the 1919-1920 crop. After that they did not get another wheat board until 1935, when it was established on a voluntary basis. From that time until September, 1943, well into the war years, the initial prices paid were indeed low. In 1936 and 1937 this government, which claims now to believe in the wheat board as the sole marketing agency, wrote into the act a clause which provided that if on the Winnipeg grain exchange wheat rose 2½ cents a bushel or more above the initial price, the wheat board was not to be allowed to accept delivery of farmers' grain.

I am afraid that even now this government is not convinced that the wheat board should be maintained as part of the permanent peacetime wheat policy. Let me quote from the remarks of the Minister of Trade and Commerce at page 1732 of *Hansard* of April 20 last.

> Although there are some signs of a tendency to get back to a basis of private trading, we still find that a majority of our customers prefer to settle their grain problems with an official agency, and if that continues to be their preference, it is obvious that we should maintain the wheat board to deal with them in that way.

The only thing I can take from that statement is that if in the next few years our wheat customers decide to buy their wheat through private trading institutions, this government will consider opening the grain exchange and putting the wheat board back on a voluntary basis. So the farmers are disturbed not only because the initial price for wheat is too low, but also because of that statement by the minister, which means that the government may not maintain the wheat board on a permanent basis.

The reduction of 35 cents a bushel in the price of wheat beginning August 1 in my opinion is a very serious drop, particularly when considered with the fact that in the coming year there will not be a further large payment from the wheat board. It is obvious that there will be a terrific drop in the purchasing power of the farmers of western Canada, and that decrease in purchasing power may well mean serious economic difficulties for all parts of Canada.

During the spring and early summer of 1949, just before the election, the farmers of western Canada received a total of $213 million in wheat board payments. This year, as I have said, the initial payment is to be reduced by 35 cents a bushel. If there is an average crop of 300 million bushels of wheat the income of the farmers will drop by an additional $100 million, which will mean a total drop of more than $300 million in western farm income potential over the next twelve months. I know one has to deduct from that figure any final payment that may be made from the wheat pool account. I do not think any such payment will be more than five cents a bushel; that would be my estimate. One must also deduct the participation payment of 40 cents a bushel on barley and 10 cents on oats. Even considering that, however, I say that as a result of the wheat policy now adopted by the government the income of western farmers will drop by at least $200 million during the coming year.

Looking at the reduction in farm income on another basis, one might compare the effective price farmers will receive for wheat. In the spring of 1949, when the initial price was increased, the farmers received $1.75 a bushel. They were then paid 20 cents a bushel for each of the three previous crop years. On the average, for the one crop year it meant in effect a price of $1.75 a bushel plus another 60 cents in participation payments, making the total effective price $2.35 a bushel as related to the single crop year. The initial payment now is to be $1.40 a bushel, which

means an effective drop of 95 cents. If we are to maintain full employment and prosperity in Canada I believe every section of the nation must continue to be prosperous, but this reduction in the price of wheat will mean a definite deterioration in the standard of living of the people of western Canada. In my opinion that cannot help but reflect itself in a lessening of economic activity throughout the nation with consequent increasing unemployment.

Farmers are disappointed that the initial price has dropped 35 cents a bushel, because they felt that the government's much advertised policy would be carried out, a policy whereby the farmers were asked to forgo the highest prices in order to avoid taking the lowest prices at a later date. According to the figures available in the wheat board report, and after doing some calculating on the basis of those figures, one can establish that farmers have made a huge sacrifice because of the government's wheat policy. For the 485 million bushels of wheat sold to Britain in the first three years under the British agreement, the average price amounted to $1.71 per bushel, or 68 cents per bushel less than the average price received for class II wheat during the same three-year period. In other words, the farmers thus made a contribution of $332 million.

Into the domestic market during the same period went 204 million bushels of Canadian wheat at an average price for the three years of $1.61 per bushel, or 78 cents per bushel less than the price received for wheat sold to countries other than Britain. Through the government's policy of maintaining cheap bread for the consumer the farmer contributed $159 million. According to the wheat board report, and calculations I have made on the figures contained therein, the farmers contributed a total of $492 million up until July 31 of last year, because of the government's wheat policy.

Even now I do not think the farmers would complain about that huge sacrifice if they thought they might have an opportunity of recouping their losses in the future. Since there is a danger of a drop in international wheat prices, the government has looked at the international wheat agreement, ascertained the lowest possible price in the agreement, and then set the initial price to the farmer at 14 cents per bushel below the international agreement floor price. It is no wonder therefore that the farmers, having contributed almost $500 million in that three-year period, are disappointed to find the government setting such a low initial price for wheat. Under the international agreement the floor price for wheat for the coming year is $1.40 per bushel in United States funds. The Canadian wheat farmer will receive $1.40 in Canadian funds. If he received the international agreement floor price he would obtain an initial price of $1.54 in Canadian money for this year's crop.

There is no guarantee that the initial price will be maintained even at this level for the two crop years covered by the international wheat agreement. If our floor price falls in the next three years at the same rate as the international floor price falls, after two years the farmers will receive 20 cents per bushel less or an initial price of $1.20 per bushel basis Fort William. I make the statement now, Mr. Speaker, and I believe I can prove it, that, on the basis of the farmers' costs of production, the $1.40 per bushel for wheat this year places the farmer in no better position, and perhaps in an even worse position, than he was in the period of 1935-39 before the war. I have before me the eleven-factor index published by the dominion bureau of statistics, which shows the farmers' costs of production. Into that eleven-factor index go all the important items of farm cost, namely, farm implements, building materials, gasoline, oil, grease, feed, fertilizer, binder twine, seed, hardware, taxes, interest rates and farm wages. That index is calculated on the basis of 1935-39 equals 100.

The last available publication of that index is for the month of January, 1950, and shows that the index stood at 196·3. In other words the farmer's costs of production in 1950 are almost twice his costs of production in the 1935-39 period. If I were speaking to an audience of farmers in western Canada, I would not have to quote those statistics to prove that farm costs have doubled. Almost every time one meets western farmers to discuss the price of wheat, farmers will say that their costs have doubled since the immediate pre-war period. The farmer will now receive $1.40, basis Fort William, for No. 1 northern wheat. Considering that the western farmer does not receive No. 1 grade for all his wheat we can safely assume that the average grade is approximately No. 2 northern. Taking the handling charges into consideration, the average price the farmer will receive will be $1.20 per bushel at his local elevator.

I made the statement that, on the basis of costs, the farmer now will be no better off than he was before the war. In 1935, 1936, and 1937, the wheat board paid an initial price of 87½ cents per bushel. In 1938, under this government, the price was reduced to 80 cents per bushel. In 1939 the initial price was further reduced to 70 cents per bushel, but the mean average

initial price paid by the wheat board from 1935 to 1939 works out at 82½ cents per bushel. If one assumes that the farmer gets the Fort William price less 20 cents a bushel, then on that basis the farmer received 62½ cents per bushel as an average initial price for the 1935-39 period. If one then relates the initial price to the farmer under the present policy to the cost of production index published by the bureau of statistics, one finds that today the initial price for wheat is only worth 61 cents a bushel to the farmer on the basis of pre-war purchasing power. On the basis of purchasing power, therefore, the initial price for wheat for the coming year will actually be a cent and a half per bushel less than in the 1935-39 period.

I hope the farmers' costs of production go down, but I doubt if they will go down very much. One does not see the price of farm implements or gasoline dropping 22 per cent with the 22 per cent drop in the initial price of wheat. Owing to the freight rate increases the prices of most commodities the farmers purchase have recently gone up, and no doubt will go up again if another freight rate increase is granted. In addition the purchasing power of the farmers' net income is not nearly as great as it was before the war. We all know there has been a steep increase in the urban cost of living, but the urban cost of living index in January of this year was 161, whereas the farmers' cost of living index during the same month was 175·3. In other words, the farmers' cost of living index this year is some 14 points higher than the cost of living index for people living in the city. Considering the fact that the purchasing power of the new initial price of wheat is placing the farmer in a position no better than his position in the late 1930's, and further considering his very high cost of living one can readily see that the new initial price adopted by the government is going to place the farmer in a very serious economic situation.

As I have said before, the initial price is not even for the full three-year period. I believe the government are making a mistake in dropping the initial price of wheat 35 cents a bushel, for another reason.

Mr. Gardiner: That is not the price of wheat.

Mr. Argue: The Minister of Agriculture cannot talk himself out of the 35 cent drop.

Mr. Gardiner: That is the initial payment; that is not the price at all.

Mr. Argue: Initial payment—let the minister call it what he wishes. When the farmer goes to the elevator this fall and takes in a load of grain he will know what to call it.

Mr. Gardiner: Surely, and will know that you are all wrong.

Mr. Argue: Nonsense. In my opinion the government, at a time when world prices are still high for wheat, is saying to every country in the international wheat agreement "our producers are prepared to accept an initial payment which is 14 cents a bushel less than the floor price under the international wheat agreement."

Mr. Gardiner: That is not correct, either.

Mr. Argue: The minister can make his speech afterwards. In the meantime I think I can—

Mr. Gardiner: Fix up yours as you go along and I won't need to make one.

Mr. Argue: I can make a speech more nearly in accordance with the facts than can the Minister of Agriculture.

Mr. Knowles: The minister should stick to grasshoppers.

Mr. Argue: If the government continue with this policy, all they will be doing will be to invite the importing countries to bid less for Canadian wheat at a time when the Minister of Trade and Commerce has already said that as far as wheat is concerned we are going into a buyer's market.

I say that the government should have continued the initial price of $1.75 a bushel for the next three years. Even if it cost the federal treasury some money, it would only be a very small payment indeed for the sacrifices and the contributions that the farmers have made over the last three years when no other segment of the Canadian economy was called upon to make a similar sacrifice.

The government has not tied the price of Canadian wheat to the highest price for wheat on the international market. Therefore I feel that the government now should not tie the initial price for wheat to a figure which is even lower than the floor price in the international wheat agreement.

Farmers are indeed disappointed in the government's wheat policy. The Saskatchewan farmers' union passed a resolution at their recent convention held a few weeks ago, asking that they be paid $2 a bushel; under the five-year pool, that is another 25 cents a bushel. Numerous wheat pool committees are asking that the new $1.40 initial payment be

increased. I would ask the government, before it brings in the bill and before it ties its hands by doing so, to increase the initial price to $1.75 a bushel and to maintain it throughout the life of the international wheat agreement.

Mr. J. E. Matthews (Brandon): Mr. Speaker, I want again this year to congratulate the Minister of Finance (Mr. Abbott) upon the splendid budget that he submitted a few nights ago. It is just another indication of the advances that have been made in Canada's progress, and I have no doubt that even his keenest critics—some of them at least—would admit in their own minds that he has done a wonderfully good job. I know the Canadian people will appreciate his frankness; I know they will appreciate his honesty of expression, as was evidenced when he discussed several points. There was no quibbling in anything that he said.

The minister has ample ground for rejoicing, having again maintained his record of surpluses, an unbroken record which is all the more noteworthy because of the fact that in all the years since confederation there have been only seventeen when a surplus was declared. All the others were years of deficits.

It is noteworthy also because his surplus of $111 million last year was in the face of a substantial reduction in the taxes levied upon the taxpayer. Such a record of course would have been impossible had it not been for the high level of last year's production; for it has been well said that production and trade are the two pillars of national prosperity. This being so I am sure the Minister of Finance would like me to share the credit for his excellent year with two other deserving ministers who very largely directed the building of those pillars, namely, the minister of production, agricultural production, if you will, and the Minister of Trade and Commerce (Mr. Howe). Both these departments contributed in a high degree to the year's success.

Take agricultural production, for instance. I do not share the gloom of some of our members. In spite of the great industrial development of Canada since the beginning of the century agriculture is still the country's basic industry. It employs directly one-quarter of the gainfully employed, and indirectly provides for the employment of many others in processing, packing and marketing agricultural products. In 1947 about one-half of the gross value of the production of primary industries came from the farm.

It is most pleasant to pause, and realize that during recent years farm income has reached a level so high as to be undreamed of a few years ago. It was very close to $2,500 million again last year, divided among the different provinces, excluding Newfoundland, as follows—I am quoting millions only:

Province	Millions of dollars
Prince Edward Island	21
Nova Scotia	37
New Brunswick	44
Quebec	346
Ontario	653
Manitoba	283
Saskatchewan	570
Alberta	463
British Columbia	98

I must not let the occasion pass without throwing in this side remark, that Manitoba leads all other provinces in the average income per farm. What I have said on farm production applies also to production along other lines. Forests amounted to $975 million; minerals, $890 million; and fisheries approximately $170 million. There are various others that might be mentioned. When it is recalled that last year our production was $16 billion, exceeding 1948 by $500 million, it will be evident that every channel of production, including manufacturing, must have co-operated in the building of one of the pillars of our national prosperity. But let us look back. Let us not forget that back of production is employment, and right here I want to quote some pertinent remarks in this regard made by a leading economist. His first sentence really tells the whole story. It is as follows:

> The way to make more employment is to make more employers.

Nobody can gainsay that. Then he goes on to say:

> Employers are made by preserving incentives to produce and to expand productive enterprise. In the free system the principal incentive, and the most effective one, is the hope of profit. Moreover, it is through profits, together with individual savings and investment, that the economic organization is provided with the tools and equipment which make employment possible.
>
> The first great barrier to the expansion of employment in proportion to the increase in the labour force is to be found in the tax system, which rewards effort on a diminishing scale, graduated down almost to the vanishing point; which discourages risk and venture; and which because of the sheer burden of taxes reduces the savings and impedes the investment which the economic organization must have if it is to grow.

Mr. Speaker, in view of those words of wisdom, as I see them, expressed by that economist, it is encouraging to note the substantial reduction in taxation already made by the Minister of Finance (Mr. Abbott). I trust more will follow.

So much, then, for production, the first pillar supporting the splendid edifice presided over by the Minister of Finance. That pillar has its setting in the toil of the producers, not only in agriculture but in every

other walk of life. Many of those producers, however, follow the sane suggestions made from time to time by the minister of production—or agriculture, whichever term one prefers.

But that first pillar, production, would be only a weak support without the second, known as trade. We hear a good deal about trade these days, and rightly so. The more our attention is focused upon Canada's trade, the better for Canada, and the more we shall then realize the outstanding ability of Canada's Minister of Trade and Commerce (Mr. Howe), in the pillar he has done so much to erect. Many of our people fail to realize that Canada's trade per capita is double that of the United Kingdom, and four times that of the United States; that Canada's wage earners, including the three fighting services, made 196 per cent more money in 1949 than in 1939; that last year Canada's retailers did the greatest business in their history—6 per cent higher than in 1948; that as a result of the building of pipe lines, which originated in 1949, Canada is due to save hundreds of millions of dollars in United States funds in future years. It is stated that in 1948 Canada spent $300 million in the United States for oil alone.

We are told that Canadian imports from the United Kingdom, which had a value in 1946 of $140 million, increased in 1947 to $190 million and in 1948 to $300 million. Even the 1949 figure, while representing an important increase over the past few years, will be only about 13 per cent of our total imports. Yet someone has pointed out that this amount of imports taken by 13 million people in Canada from the United Kingdom is more than the total imports that the 150 million people in the United States take from the same source.

Expressed another way, on a per capita basis, in 1949 we are buying goods from the United Kingdom at the rate of $24 for every man, woman and child in Canada. The comparable figure for the United States is about $1.40.

I am sure, Mr. Speaker, it was cheering to the people of Canada, and must have been doubly cheering to the Minister of Finance, when a few days ago the Minister of Trade and Commerce tabled departmental documents forecasting a new high of $3,600 million in public and private capital investment in Canada for 1950, a 5 per cent increase over 1949.

Speaking of trade, as complementary to farm production, and indeed all production, I was greatly interested when a few days ago there came to my notice some cogent facts expressed in a novel way by a good friend of mine. These facts concern Canada's food contribution to the world. To my mind the article is so original, and yet so informative, that I should like to quote somewhat freely from it now. It depicts in a unique manner the ramifications of our trade. At the same time I should like to keep in mind the prodigious work of the departments of trade and commerce and agriculture in bringing about the results to which this writer has referred.

Every day in this chamber, when the house is in session, the writer suggests, we hear this prayer: "Give us this day our daily bread." The article goes on to say:

> This is our only prayer made without reservations. When we think of bread we Canadians think of wheat. Excluding the Union of Soviet Socialist Republics, the largest producer of wheat is the United States, producing 24·4 per cent, then China, with its twenty-two provinces, 17·8 per cent and Canada, 7·4 per cent of the world's supply.

Let us compare this with world population figures. He continues:

> The United States population is 6·8 per cent, China 21·5 per cent and Canada 0·6 per cent of the world's population.
>
> Thus China with 21·5 per cent of the world's population produces 17·8 per cent of the world's wheat while Canada with only six-tenths of one per cent of the population produces 7·4 per cent of the wheat. Canada must therefore export to other countries a large share of its wheat production and now rates second in the amount supplied to the world markets.
>
> Canada, however, supplies to the world by trade many other articles of food, and in reading of their destination, if one can use imagination, they would make the pamphlet of a travel agent's world tour look like a very uninteresting document. Just imagine the cook book of the Arabs and the Germans having Canadian foods in their recipes. For the year 1949 agricultural and vegetable products were exported to the value of $773 million and animals and animal products to the value of over $338 million, a total of over one billion dollars, and mainly food for others.
>
> The United Kingdom took $413 million worth and the United States $370 million. Wheat as grain went to forty-four countries and flour of wheat to seventy-four countries. While wheat may change its name to corn, it is the principal source of the world's daily bread. It is grown near the Arctic circle, it is grown on the equator and produced in practically every country in some larger or smaller degree.
>
> The largest customer for wheat is the United Kingdom, but on reading the list of the countries which are customers for Canadian wheat, we can picture a great variety of people, all with their own customs of living, preparing it for food. Arabia, Chile, Egypt and Norway all take wheat, while flour goes to Africa, Hong Kong, Cuba, Denmark, even to Madagascar and Greece.
>
> Let us look further into Canada's exports of food other than bread. We find jams and jellies go to fifteen countries from Japan to the Belgian Congo, to the amount of $155,000.
>
> Apples fresh, apples dried, apples canned, go to twenty countries all the way from England to Hong Kong. They get various names when sold to the housewife, but they are Canadian apples just the same. This export is worth to Canada $7 million.

We also supply to this world-wide table such things as blueberries, strawberries, pears and peaches, while canned fruit goes to over thirty countries, all from Canada.

Tomato juice to the value of $49,000 goes to thirty countries, the names of which would conjure up interesting native customs—Ethiopia, Guatemala—even $10 worth to Meth in the Antarctic. Onions to the amount of $152,000 go to countries from Greenland to the Virgin islands. Apple juices and canned corn, not to mention pickles, sauces and catsup, all go to forty countries, including Pakistan and Morocco.

To the world's great table go potatoes to the amount of $2,900,000, nearly two million dollars' worth of turnips to twenty-two countries and I must not forget the porridge, oatmeal and rolled oats to a million and a half dollars going to forty countries from Peru to India.

From what I have said you will see our vegetables and grains are known the world over, but what about the joint of meat? Here we have another wonderful story.

Purebred cattle are shipped by air to Chile, and we export to twenty different countries to the amount of over six million dollars; dairy cattle over eight million and cattle for beef forty-six million. We export chickens and turkeys and an abundance of fish and fish products. Bacon goes to twenty countries to a value of twenty-four million dollars. The products of this country, Canada, are on the breakfast, dinner or supper tables of every country. We must export to buy our tea, coffee and many other things to eat ourselves, for in North America the standard of living is the highest in the world. We export to eighty countries and Canada's exports are not on a two-way street. Trade is by many roads. Markets for our products are world-wide. We must trade on a world basis, buying and selling in all the world's markets and improving our trade with all the world.

I have been discussing the two pillars, production and trade, that form the basis of our national economy. May I turn for a minute to the superstructure that we are erecting upon those two pillars. Do they bear a proper relationship, because there is a limit to the weight that any pillar can carry? Are we attempting to build too much upon those pillars as we have them today? Any superstructure that is too top-heavy is liable to collapse if and when the winds of adversity strike. This is a possibility that Canadians of every class should be frank enough to realize.

I spoke of the finance minister's honesty of expression. All Canadians will be impressed with his statement that our annual rate of expenditure is not likely to fall below the present mark of $2,400 million. That is a lot of money for this country. That is a lot of money as compared with 1939, for instance, when our expenditures were less than one-quarter of that amount, or $553,063,098.

It appears however that our present annual expenditure can be handled providing we maintain our present national production of $16,000 million per year, which by the way was two or three per cent greater last year than in 1948, and providing also that our present heavy standard of taxation is maintained.

[Mr. Matthews.]

But the rainy day comes to a nation just as to an individual and so far as taxes are concerned Canadians are carrying a heavy load. I think the superstructure is already as heavy as the pillars will carry. Someone has computed that we pay in taxes 28 per cent of our total annual income. I think we pay more. Seventy-eight per cent of those tax payments are to the federal government, ten per cent to the provincial government and twelve per cent to the municipalities. In all three cases too much of it I suggest is collected in the form of hidden taxes and thus the people are unaware of what they are actually paying, even though the percentage now is smaller than that of previous governments.

Quite frankly one phase of our public financing that gives me concern is the large and rapidly increasing portion of our payments that have come to be listed as "uncontrollable expenditures". That is a very dangerous term and one which any government and any people will do well to heed. Let a sufficient tonnage of uncontrollable expenditure be loaded upon our superstructure and there can be only one result: the pillars will be unequal to the strain. In this respect the amber is already showing and the red light controlled by the taxpayer is at hand. There is no gainsaying the fact that some expenditures are always in order and entirely justified. Sometimes they might be classified, not as expenditures at all, but as investments, as bread cast upon the waters which in due course will come back buttered. I can think of no better example of what I mean than expenditures made by the agricultural department under the P.F.R.A. regulations. Those expenditures have proved to be good investments for all concerned.

But when a large part of a nation's expenditures come to be listed as "uncontrollable" the danger signal must be heeded. I refer to this, because of the pressure from so many quarters for further huge expenditures, which once begun it will be practically impossible to discontinue, no matter how hard the Canadian taxpayer might be pressed. Among uncontrollable expenditures with which the taxpayer is already burdened, we have $449 million per year interest, mainly on war debts, and $500 million per year on what are included under the general and rather indefinite phrase, social services—these in addition to the tremendous amounts absolutely necessary for national defence.

I am not surprised that people are beginning to wonder where the money would come from for those further huge expenditures that are being demanded. That question is easily answered. It would come from your pocket and mine and the pockets of our neighbours,

either directly or indirectly. There is no other source. If the Canadian taxpayer wishes to avoid further heavy demands upon the fruits of his toil he needs to do some serious thinking and to do it right now. Following that, he should also let his opinions be known as regards the weight of the superstructure as compared with the strength of the pillars.

I congratulate the Minister of Finance (Mr. Abbott) upon his firmness in resisting demands upon the public treasury greater than this country can stand. I congratulate him upon his frankness in that regard, a frankness that commands the respect of all. That firmness has been a contributing factor to our debt reductions of almost two and a quarter billion dollars since the war, including $486 million in 1949.

The cheering feature of it all is that on a basis of three per cent interest charge those reductions mean a saving in our interest payments of between fifty and sixty million dollars a year for all future years. Is that good financing or is it not? Do those reductions in our interest payments mean anything to you who have to raise the money or do they not? Do you desire still further reductions or do you not? I know what your answer has been in the past. I know what it would be today.

I have stressed those debt reductions because to me they give the whole story of the budget in a nutshell. Further analysis would seem unnecessary. Any finance minister who every year since the war has kept the business of this country advancing under a full head of steam and at the same time has reduced Canada's indebtedness to the tune of nearly $2,000 million is good enough for me. I congratulate him of course, but I congratulate much more heartily the people of Canada upon having a minister so able and so frank at the financial helm of this country.

Mr. H. O. White (Middlesex East): Mr. Speaker, once again this discussion of Canada's budget is under way and I, like other hon. members, wish to try to interpret to the government some of the thoughts, desires and wishes of the people I have the honour to represent. I think one of the most disturbing features of the budget was the rigidity with which the Minister of Finance (Mr. Abbott) said that our expenditures would be fixed at $2,400 million, that they will never be less. Let us hope that we are in a position to afford that, but people and nations have found that they have had to adjust their household and national budgets to fit their incomes and pocketbooks. When any government gets in a position where it has promised more than the people can produce and more than the tax collector can extort from the producer, then the nation is in a serious situation. I am fearful of the give-away policy of the government. What does $2,400 million mean to the average citizen, the man in the street? He passes it off. He figures it is a lot of money. What does it mean to the individual? Let me tell you that it is approximately $200 for every man, woman and child in Canada. Therefore, for every family of five it is about $1,000, and that does not take into consideration at all provincial or municipal taxation. Is it any wonder that the householder finds it difficult to buy groceries and clothing, and to pay rent? The federal government is extracting from the head of every average family of five approximately $1,000. That is a serious situation, and the minister has said there is no retreat from that position.

The hon. member for Kamloops (Mr. Fulton) ably pointed out last night there were some things that could be done in the minister's department as well as in some of the other departments to reduce this enormous expenditure somewhat. The reason that the man in the street does not know just how much taxes he is paying is that many taxes are hidden. There is quite a little bit of it hidden in our daily bread. There is more of it hidden in our clothing, still more in the house that we try to buy, and hundreds of dollars in the automobile that one may own or wish to own. These things are articles that every one of us wishes to own or owns and uses. Possibly hidden taxes do not hurt as much as income taxes but nevertheless they are just as effective. Speaking roughly, about half of the income of the government comes from that source. In our school days we read about early times in Great Britain when Robin Hood and his band of robbers took from the rich and gave to the poor, but they were just pikers compared with the way the Robin Hood sitting across from me does it, and he is not greatly disturbed about it either.

Dealing with income tax for a moment, I want to refer to the collection of tax on undistributed reserves. Most industries have set aside reserves for a rainy day, shall we say, or for the day when times are maybe not as good as they are now or become a little difficult. The distribution of such a reserve simply means that the labourer working in that industry is going to be out of work that much quicker. More companies are going to go broke more rapidly if times get tough. Let us hope they do not, but let us not be so foolish as to make no provision. Years ago the story of the seven lean and the seven fat years was unheeded and disaster followed. I think the history of nations and people has pretty well borne

that out, if you look back over the past centuries. I should like the minister to consider seriously that part of the income tax legislation dealing with the enforced distribution of reserves. In one of the subsections there is a provision for a ninety-day period during which it has to be cleaned up; otherwise it is considered as not distributed and subject to the collection of tax thereon. I said that no buffer was left to protect the labourer in his job, and that is a most vicious system. Apparently the government has embarked on a program of outdoing and out-promising everything that the socialists promise. They have worked themselves up to a figure of $2,400 million, and they say there is no retreat and that it may be worse.

I mentioned the give-away program of the government. If I were conducting one of these radio give-away programs I would be able to say, step right up, this is the greatest give-away in Canada's history, it is now going on. Let men say that it was not necessary. In the period following the war the government had at its disposal, until quite recently, powers under the War Measures Act and the Continuation of Transitional Measures Act so that some of the things which have occurred were not necessary. They gave away or lost our agricultural export markets which are now in the hands of enemy countries behind the iron curtain. They have given away our raw resources to the United States. Last week we saw the culmination of that in the defeat of the opposition to the pipe line measures. Wall Street interests are now going to have the satisfaction of seeing that the United States is served first, and what is left Canada will get. We know just how much we shall get out of a deal like that.

I should like to mention some of the other things that have been given away. Every year we give thousands and thousands of our best educated young men to foreign lands. It is estimated that it costs $30,000 to educate a child from kindergarten until he has completed his university training. When that is finished he is then offered a job in the United States. The government is giving away $20,000 for every soldier educated at the Royal Military College because, as I mentioned before on the defence estimates, the same training can be provided at the universities of Canada for approximately $1,000 per man. The curriculum is the same and the hours of study are the same even to the minutes. I checked it and I know.

The hon. member for Kingston City (Mr. Henderson) protested and tried to point out to the house that it was the first soldier educated there who cost $20,000 and not the others. Such is not the case. That is what it is costing this year for every one of them. Our defence dollar, when spent on the Royal Military College, is just worth a nickel. You can figure that out for yourselves. Like many other members of the house I receive unsigned letters. I had one dealing with the remarks I made about the Royal Military College. The writer said that I should consult my leader and other military leaders of both parties. The people whom I consult, Mr. Speaker, are the people who elect me, and I respect their judgment greatly. Probably the greatest weapon of defence the minister has is the secret weapon of telling no one anything. That will not win a cold or a hot war. Secrecy is being used as a cloak for reckless spending. Secrecy is being used to cover up and hide inefficiency. I attempted to get the information I required concerning the Royal Military College but was refused it, and had to place a question on the order paper in order to obtain the figures I needed.

I want to mention again that we are indulging in the greatest give-away in history; but before they can give anything away they have to take it from those who produce it. Let no one forget that. Taxation is penalizing hard work, thrift and ability, the very traits that made this nation great. When the previous speaker, the hon. member for Brandon (Mr. Matthews), was telling us that the population of Canada was such a small fraction of the population of the world, I thought that was a pretty good example of what 150 or 200 years of free enterprise could mean to a country. No other small country—in numbers—anywhere in the world ever produced the abundance we have; but how long can we continue to take away from those who produce and give to the idle, the thriftless and ne'er-do-wells? We must come to the end of the trail some day. Then what about unemployment? During the latter part of last session and early this session we were told it was seasonal and temporary, as I mentioned once before.

Apparently we have two sets of rules by which the game is played in this country. The manufacturer is protected by tariffs, but they tell the primary producer he must compete in the markets of the world. But he cannot go to the markets of the world for the things he has to buy; he must purchase them in a protected market. I want to give a few concrete examples of how this government is causing unemployment, and suggest some things that could be done to correct the situation. I know the ministers may say: Oh, it is only ten or fifteen or twenty

men here, or a hundred men there; but when you add them up right across the country the number is very considerable. In the first place I suggest that we could develop our coal resources, and when we became independent of United States fuel our exchange situation would be greatly improved. Then for nine long years we have been hearing about the development of the St. Lawrence seaway, but still nothing has been done. We should retain for our own people our sources of cheap fuel, including Alberta oil; and the recent sell-out I mentioned is but one of the examples I could give.

Then we import foreign vegetable and animal oils with which to make butter substitutes, when we could produce those very same oils in this country. The farmers dare not change from the production of the grains they now grow because the minute they did so the importer from the United States—and importation is done by practically one company only—could drastically slash the price to the Canadian farmer. So what confidence can he have if he goes ahead and makes a change? The farmers lack confidence because the very promises that were made last June are being broken every day. Only yesterday the dairy farmers of Canada got a slap in the face. Our tariffs as applied to primary products are such that they cause many things to be produced abroad that could be produced right here in Canada. I realize as well as any other hon. member that many things coming from the warmer countries could not be produced in Canada. It is bad enough to have to import them, but it seems to me a very foolish policy when we import every month thousands of dollars' worth of goods we could produce ourselves. The net result is that we are hiring people abroad to do things we could do.

One commodity that comes to my mind is sugar. We produce a very small percentage of the sugar we consume, though our sugar beet industry could be expanded enormously. If that were done it would reduce some of the surpluses of other products we now have difficulty in marketing abroad. It seems to me the policy that has been followed with respect to Canadian agriculture is very shortsighted as it applies to the things we could produce in our own country. But if we do make any changes along these lines let us be sure that we give our farmers some assurance that they will not have a market for only one year, that next year they will not find the situation entirely changed. Our farmers must have a longer term program than that to work on or they will not make these changes. All that Canadians need is assurance, based upon the knowledge that the government is sincere in any statement it makes. The farmers are not likely to regard the government as sincere, however, if they continue to be dealt with as they were treated yesterday.

Then I believe we should reimpose the provisions of P.C. 181, the order in council dealing with dumping duties. The excuse for not doing this is that under the Geneva agreements it cannot be done. Only one country in the world has ratified those agreements as yet; that is Switzerland. It is just drawing a red herring across the trail to say we cannot impose those dumping duties. It is a very lame excuse. Now we are told that another delegation is going to Torquay, England, where some 2,500 items will be reviewed and some forty countries will participate in a reduction of tariffs program. Geneva is three or four years behind us; Annecy is behind us. It seems to me these conferences are just becoming pleasure cruises for the senior civil servants in the upper brackets. As yet we have not seen any results worth talking about. And what about our bacon trade? That was lost through the bungling and bickering of two governments. I think if governments would stay out of business we would all be better off. I need not dwell on the deal that has brought consternation to the dairy industry, the employing of foreign labour to produce articles that could be produced in Canada.

I am going to mention a number of items. Someone may say they are small. That is true; so is a nickel, but the companies in the nickel business do very well. Let us watch our nickels, and the dollars will take care of themselves. One item I would mention is asparagus. That is a small matter, perhaps; asparagus is grown only in restricted areas. But when Canadians are ready to harvest their crop they are told the dumping duties cannot be applied; so a flood of United States asparagus comes in, prices drop, and the hopes of the producers are dashed to the ground. Always there is a lag of from ten days to two weeks between the time the department is notified that Canadian asparagus will be ready for the market and the time dumping duties or restrictions are imposed upon the importation. Why? Simply because the wholesalers and dealers in the large centres of this country tell the government what to do. They know they have the primary producers scattered here, there and everywhere. They can look after them, and who can squeal about it? But the big fellows in the cities will take care of themselves; don't worry about that.

What about cheese? It seems that the cheese market has been lost. I wish to point out that we have an opportunity of getting into the

United States market, but the regulations are such that it is only the lower grades of cheese that can enter the United States. Is that any way to advertise our good Canadian cheddar cheese? I have friends who visit me from the United States, and when they come here we go to the local factory at Glanworth to buy a good cheese for them to take home. Practically all the high-scoring cheese is kept in this country, and it is only cheese that scores 92 or less that is permitted entry to the United States.

I mentioned the dumping duties in connection with asparagus and other fruits and vegetables, and I said that I thought the dumping duties should be applied right across the board. Last spring thousands upon thousands of crates of Canadian celery were sent to the dump, representing a total loss to Canadian producers. Restrictions on the importation of celery from the United States for one month would have meant that all that Canadian celery would have been used. The importers paid $5 or $6 per crate in United States funds for celery which replaced Canadian celery. The government does not need to try to hide behind the Geneva trade treaty, because that was not the reason. The real reason was that the wholesalers of this country could make a bigger profit on celery from the United States than on Canadian celery. All that was needed in that instance was a little horse sense in the administration of these dumping duties.

On March 24, 1950, the Canadian onion growers had 100 carloads of onions on hand. On March 31 they were told that nothing could be done to prevent onions from the United States entering this country. At that time, they were selling at 44 cents per 100 pounds in Chicago. The duty on onions entering Canada amounts to about 8 cents per 100 pounds, while the duty on Canadian onions going to the United States is $1.75 per 100 pounds. What kind of a deal is that? I would say that is a raw onion. It is about time the primary industries of this country had a little protection, as well as the manufacturing industry. What is sauce for the goose is sauce for the gander. I wish to say that it is about time the Liberal members, who represent constituencies in which these primary industries are located, said a word or two in their defence.

I should like to recall to the minds of hon. members the vastness of the quantities of products that are imported from the United States which could be produced in Canada. I have in my hand a copy of "Foreign Trade", issued March 18, 1950. The main groups are as follows: Agricultural, vegetable products, in the month of January 1950 alone, $27 million; animals and animal products, for the month of January, 1950, $6 million; fruits, $4,468,000; vegetables, $1,904,000; grains and grain products $987,000; sugar and products, $1,954,000. Those amounts relate to the month of January alone. In the month of January too, oils, vegetable, amounted to $2,111,000; vegetable products, other, $1,959,000; fish and fishery products—and this is one of the greatest fishing countries in the world—$297,000; animal oils, fats, greases, $356,000; animals and products, other, $1,354,000. In this land of vast areas, we find imported wool, raw and unmanufactured, amounting to $3,040,000 for the month of January; wool products, $4,563,000. There is no need for unemployment in such a land as ours; if labour is directed into the proper channels.

There are two or three other points I should like to mention. I have in mind a letter from Prague, Czechoslovakia. Much has been said about the use of the mails, and the refusal of that use to certain individuals. I do not hold any brief for those individuals in the city of Toronto or anywhere else, who are possibly trying to fleece the public. As has been pointed out, there is a way to deal with that type of individual. I have here communist propaganda from Prague, and when the fact that it was sent through the mails was brought to the attention of the postal authorities, they said that there was nothing that could be done. I should like to read to you some of the interesting comments in this "Prague News Letter," volume 6, No. 8, dated April 14, 1950. The headline is, "The mask of Peace and Charity stripped off the Warmongers." It reads as follows:

> In Czechoslovakia—prime target among the people's democracies for the warmongers' offensive of lies and provocation—the past fortnight has been especially disillusioning for the American deceivers and self-deceivers, and rich in lessons for the Czechoslovak and all other peoples. The trial of the abbots and other monk-spies ripped away the pious concealment from the face of the Vatican-CIC—

That means, counter intelligence corps.

> —plot against peace and democracy.

Mr. Macdonnell (Greenwood): Was that published in English in Prague?

Mr. White (Middlesex East): Yes, and sent out here.

Here is another article which says, "Tommy-guns under the Lord's Temple." It reads as follows:

> Sentence was passed on ten representatives of various Roman Catholic religious and monastic orders on April 5 by the state court in Prague. After long and careful investigations the state authorities and the court unearthed the facts and purpose of their activities and passed a just verdict on the criminals in the name of the Czechoslovak people.

Then it goes on to name the different men, and the various monasteries and orders to which they belonged. Farther down the article says:

What is the most significant fact however is that the lord bishops, provincials, and professors of theology did not commit their crimes solely as individuals. All were members of a far-flung net of spies and saboteurs organized by the Vatican and reaching into the monasteries not only throughout Czechoslovakia, but also in Austria, Italy and other countries.

This publication is the property of a friend of mine in the city of London, but I shall let those who are interested see it.

Mr. Hodgson: Is this the sort of propaganda that is going through the Canadian mails?

Mr. White (Middlesex East): Yes, and the Post Office Department has said nothing can be done about it.

When I was dealing with fruits and vegetables, I neglected to mention that the fruit and vegetable growers have made certain suggestions for aiding the industry. I should like to read this paragraph from those suggestions:

Because of the inadequate protection that we have our association has adopted a new policy which it intends to present to government and to members of parliament. The policy is, in effect:

1. A clear demand for complete free trade.

2. Failing No. 1 an agreement by which fruits and vegetables of a like and kind not produced in Canada will be admitted duty free all year round, whilst fruits and vegetables of a kind produced in Canada will be admitted duty free when domestic supplies are not available and placed on restriction when domestic supplies are available.

To me that seems to be a reasonable request. I continue:

3. Failing adoption of either No. 1 or No. 2 we want complete protection through tariffs high enough to prohibit importation when domestic supplies are available.

All three of these requests are very reasonable.

I should like to mention that the sales tax was removed from dairy drinks. Included in dairy drinks was popsicles. By no stretch of the imagination can a popsicle be a dairy drink. It is a frozen soft drink and nothing else. The tax was not removed from similar products in the bottled state.

I want to say a word or two to the Minister of Finance (Mr. Abbott) regarding these much heralded grants to municipalities in lieu of taxes. In municipalities where there are government properties and buildings it was hailed as a great step forward. It was nothing but a joke and a hoax. The sum of $5 million which was to be used for that purpose in all Canada is just peanuts. In my riding there is the greatest military hospital in the British empire. It is not the biggest, but it is the greatest. It falls upon that municipality to educate the children of some of the doctors and others who are employed there. Under the present set-up not a cent of taxes are we likely to receive.

I hold in my hand a resolution from the city of London over the signature of Mr. Cooper, the clerk. I am going to read it because I heartily concur in its contents. The resolution reads:

That in view of the dominion-provincial conference now in progress, and the fact that amendments to the British North America Act are being considered, this council urge upon the dominion and provincial governments that in any amendment to the said act provision be made for the payment by both levels of government of normal taxation on properties held by either government within the limits of any municipality in organized territory;

This is something that we shall have to face sooner or later. While we are dealing with public buildings may I say that a new income tax building was erected in London, Ontario. While it gives you a pain every time you enter it, I want to say something about it to the Minister of Public Works (Mr. Fournier). This is the way issues are evaded and money is spent without actually showing on the accounts. I am going to say right now that this building is not in keeping with the architectural structures around it, nor with the beauty of the other public buildings in the city of London, nor with the private buildings that are erected there. I might mention the London Life building and a good many others. This particular building is on Dundas, one of the main streets. I hate to use the word, but it is actually a disgrace.

Mr. Macdonnell (Greenwood): Probably the minister was his own architect.

Mr. White (Middlesex East): No. I can tell you how it came about. I hold in my hand sessional paper No. 83, and it tells the whole story. The building was erected according to specifications. I know the company that built it. They built the Western university. They have built some of the finest buildings in the land. You get only what you pay for. This building was built for the Westmount Realties Company. I will tell you who the directors of the company are. They are: Mr. E. B. Mills, Mount Royal, Quebec, president; Mr. H. Mills, Montreal, vice-president; Mr. Wheatley, Montreal, vice-president; Mr. Rankin, Westmount, vice-president; Mr. McAthey, Westmount, secretary-treasurer; and Mr. C. J. Smith of Westmount, director.

The building is leased to the income tax department for 10 years at $70,000 a year, and at the end of 10 years they are to pay $550,000 additional and the income tax department will own the building.

Mr. Fournier (Hull): The hon. member is all wrong.

Mr. White (Middlesex East): Don't try to tell me that; it is all contained in this sessional paper.

Mr. Fournier (Hull): We could buy that building tomorrow for $550,000, not at the end of 10 years.

Mr. White (Middlesex East): Are you doing it?

Mr. Fournier (Hull): We will see about that and give you an answer in due course.

Mr. White (Middlesex East): That is not the way the business of the country should be run. You built a lovely public building in the city of London. It is used by the post office. A similar building should have been built for the income tax department. If they were not going to do that they should have put it on a back street. Simpson's built a warehouse, which far surpasses this one, on a back street in the city of London. This building is going to retard the growth of the city. It is a disgrace.

Yesterday I asked the Minister of Trade and Commerce a question about the convertibility of exchange. This is his reply, as reported at page 1811 of *Hansard*:

> Mr. Speaker, an organization known by the initials OEEC—organization for European economic co-operation—has been advancing a plan which is designed to bring about the interchangeability of currencies on the continent of Europe, including the United Kingdom. This plan is still under study and is being actively advocated. I think there is some hope that convertibility to the extent I have indicated will be brought about in the near future.

He said the near future several weeks ago. I wonder if that near future is just prior to the next general election. During the few years that I have been engaged in politics I have learned a lot, and there are some things that I can see at quite a distance. It is possible that this is one of the things that are likely to come about at that time.

I hold in my hand a clipping from the Toronto *Star* of April 15, 1950. Much as I dislike to quote the *Star*, the gist of what it says is this. Dealing with the benefits that Canada is likely to receive from tariffs in the United States it goes on to say:

> Toys are one example. Germany was chief United States supplier before the war although Canada's industry has now developed into sizeable proportions. Concessions granted to Germany, and therefore to Canada, would enable Canada to boost toy exports to the United States. At present Canadian toy exports to the United States are restricted by tariff barriers.

The inference is that we are going to gain by this deal. The truth of the matter is, we are going to lose all our markets to Germany and to the United States. That is what is going to happen, and the *Star* tries to cover it up by a news item of this kind.

Yesterday we had the pleasure of having His Worship the Mayor of London, the president of the western fair, and city architect, down here trying to arrange some details of financial aid for the building of an arena there devoted to the interests of agriculture. According to the newspaper items, London is not likely to get aid. It just occurred to me that possibly last June that was one of the promises that the Liberal party neglected to make when they were fighting the election, and since it was not promised we are not likely to get it.

The Canadian people are worried about the budget and the attitude of the government in budgeting for an expenditure of $2,400 million. Therefore I think the minister should revise his thinking before twelve months pass and we hope that the next budget will be better than this one.

Mr. F. D. Shaw (Red Deer): Mr. Speaker, my participation in the debate at this time results from certain assertions made yesterday on the floor of the house by the hon. member for Athabaska (Mr. Dechene). Obviously, one could not be expected to permit certain of his almost fanatical assertions to pass unchallenged. Moreover it is my personal conviction that certain of his implications and insinuations require some consideration and analysis.

My purpose is not to be unnecessarily critical, because it is understood that when the hon. member for Athabaska succeeds in working himself into a political frenzy he invariably indulges in indiscretions, inaccuracies and exaggerations, possibly without being entirely conscious that he is doing so—at least I should like to believe that he was not completely conscious of what he was doing.

On October 25 last year the hon. member for Athabaska stood in his place in the House of Commons and urged, with a good deal of vigour and also with much justification, favourable consideration by the government of the completion of a certain line of railway in northern Alberta. I was somewhat surprised last night to hear him advancing the same plea; because I recall that it was less than a year ago—June, 1949, to be exact—that he and his colleagues were telling the people of my province, and elsewhere, that all they had to do was to elect Liberal candidates and get everything they wanted, everything—all things to all men.

Last fall the hon. member used these words—and again I say he used them with plenty of justification—

I am only asking parliament, the government and the executive of the Canadian National Railways to fulfil their solemn pledge and to carry out their word of honour to the people I represent in this house.

On November 3 I rose in my place and advanced the wholehearted support of my colleagues in his plea. But of course I could not resist the temptation to remind him that he had forgotten something. It will be recalled that upon that occasion he lashed out with some considerable viciousness at the Conservative government which held office in Canada between 1930 and 1935. Then he said something like this—indeed these are his exact words: Then the war broke out. I reminded him that four or five years elapsed between the defeat of the Conservative government and the beginning of the war.

Yet nothing was done. I think it was that assertion on my part that made him go hog-wild yesterday. Apparently he does not like being informed of his own party's weaknesses, or the weaknesses of the government he supports.

Yesterday the hon. member for Athabaska, as reported at page 1818 of *Hansard*, said:

The other day the hon. member for Red Deer (Mr. Shaw), referring to what I said last fall, asked why the Liberal government had not done anything from 1935 until 1940. The hon. member is a school teacher and he should be possessed of some information. He knows that in 1935, 1936, 1937 and 1938 the government of Alberta defaulted on their obligations to the extent of over $20 million.

And then he added this:

A blot was placed on the escutcheon of Alberta which it has taken decades to erase.

I am sure the residents of that area in northern Alberta, which has been adversely affected as a consequence of the failure to carry out declared policy with respect to that railroad, will appreciate knowing that Alberta is to blame for the railroad's not having been constructed.

But it is not that so much to which one would object, as it is to the insinuation constantly thrown out by the hon. member that, whereas the Social Credit government assumed office in Alberta in 1935, we were responsible for the conditions which prevailed at that time. I hope he has read the report of the Bank of Canada for 1937, which is a report of an investigation into the financial position of Manitoba, Saskatchewan and Alberta. It was at the invitation of the Social Credit government of Alberta that this investigation was conducted within that province. I do not like taking the time of the house to recount what was said about my province during those years when it was under a Liberal administration. However the hon. member for Athabaska makes it necessary for me to do just that. I quote from page 4 of this 1937 report:

Policies pursued from the time the province was created, 1905, until the year 1922,—

That is, under a Liberal administration—

—had a profound effect on the financial position of the government of Alberta. The roots of many of Alberta's present problems—

That is, 1937.

—were developed during this period. Only the exceptionally rapid economic progress of the time can account for the fact that extravagant governmental expenditures, direct and indirect, were allowed to proceed on such a scale and to last so long as they did.

Almost immediately after the formation of the province, ambitious telephone and railway policies were launched. Poor judgment, loose administration and over-expansion were to make both utility ventures costly.

And here is another choice one at page 8:

By the end of 1922, Alberta had a direct and guaranteed debt (on which it was already paying interest or for which it was later to become liable) which was some 50 per cent larger than in the much older province of Manitoba, and more than twice as large as that of Saskatchewan, though Saskatchewan had a 30 per cent larger population.

That was under a Liberal administration. And here is another choice one at page 18 of the same report:

Alberta entered the depression with the largest outstanding debt of any province except Ontario, and had the highest fixed charges in relation to its revenues in Canada. The causes of this, as we have outlined, were the extravagant expenditures of the 1905-22 period, followed by the failure to reduce debt during the subsequent prosperous years.

Might I interject at this point that, since the hon. member for Athabaska was speaking about railroads, he ought to get that report and read what it has to say about the disastrous railway policy of the Liberal government of Alberta at that time.

I have said many times that we had our one and only taste of Liberalism in Alberta during that period. The report summarizes on page 10 in these words:

To summarize, we find the policies pursued in the ambitious and extravagant 1905-22 period resulted in the accumulation of a heavy dead weight debt, and that no adequate effort was made to put the government and various government enterprises on a self-supporting basis, in spite of the favourable opportunity presented by the general prosperity. Alberta consequently entered the following period under a handicap which was certain to create problems for the future, unless a determined effort was made to reduce debt.

The Liberals gave us a debt of $95 million, and the U.F.A. government boosted that up to $167 million in 1937. It took the Social Credit government to whack almost $50

million off the provincial debt. In 1935 my province was having to spend 51 per cent of its entire revenue in order to meet debt charges.

I should like to refer to an excellent example of what I consider to be distortion and misrepresentation. The hon. member is reported on page 1819 of *Hansard* of yesterday as follows:

In my own town of Bonnyville many of the merchants and citizens had a few dollars invested in provincial certificates.

Remember, the hon. member is speaking of that early period 1935-36.

We tried to collect these funds to build a school and—

The Acting Speaker (Mr. Beaudoin): I am sorry to interrupt the hon. gentleman, but if I am not mistaken I heard him accuse the hon. member for Athabaska (Mr. Dechene) of misrepresentation.

Mr. Shaw: I said that it reminded me of misrepresentation and distortion.

Mr. Blackmore: Pretty mild language at that, considering.

Mr. Shaw: May I finish the quotation, which is as follows:

—when these people tried to get their money they found that they could not even collect from the provincial government of Alberta.

Of course his statement is not correct. The inference is that it was the Social Credit government of Alberta that reneged on the redemption of the provincial savings certificates. We know that the Liberals in Alberta have been using that argument, have been endeavouring to capitalize upon a situation in connection with which the people did not know exactly what had occurred. Let me refer to the Bank of Canada report of 1937 where reference is made to these savings certificates in Alberta, and I quote from page 9 as follows:

A particularly vulnerable feature of the Alberta debt should be mentioned. In 1917—

That was under a Liberal administration.

—Alberta initiated the policy of selling savings certificates which were payable on demand. Originally sold to yield five per cent compound interest, and altered in 1921 to five per cent simple interest, and with administration costs of less than one-fifth of one per cent, they provided funds at a somewhat lower rate than was then available in the bond market, a comparison of rates which took no account of the fact that the certificates constituted demand liabilities.

This is significant.

No reserve was set up to meet any sudden demand for redemption. As the sales were vigorously pushed, and the total outstanding steadily grew (to $4½ million in 1922),—

[Mr. Shaw.]

It reached almost $9 million by 1935.

—a constant threat to the cash position and solvency of the province existed.

It was the United Farmers government of Alberta which in July, 1935, suspended payment on those provincial savings certificates because there was no money in the treasury with which to redeem them.

Mr. Blackmore: They were unable to borrow money.

Mr. Shaw: Owing to the policies of previous administrations and those which I have enunciated, my province was placed in the position where it could not borrow. The Social Credit government took over the reins of office on September 3, 1935, and at that time there was not even enough money in the treasury to pay the civil servants their salaries.

Mr. Wylie: I was one of them.

Mr. Shaw: The hon member for Medicine Hat says he was one of them. When the hon. member for Athabaska says that in his own town of Bonnyville they were unable to secure these funds to build a school, he is not stating what is a fact. Under the very capable management of my leader, who was provincial treasurer, the moneys that were available were apportioned. I am assured by my leader that the situation referred to by the hon. member was met.

It is like waving a red flag in front of a mad bull to remind the hon. member for Athabaska of what has transpired in my province since 1935 under a Social Credit administration. As I have said already, instead of pursuing asinine policies, they slashed approximately $50 million off the provincial debt and they established the lowest average interest rates on their bonded indebtedness of any province in Canada. Many non-Social Crediters in all parts of Canada who know the facts about Alberta have asserted that that province now has the brightest future of any province in Canada.

Mr. Blackmore: If it does not elect Liberals again.

Mr. Shaw: I do not know just why it is that the hon. member for Athabaska, who is an Albertan, who is a pioneer of that country, should not be able to face up realistically to the facts.

An hon. Member: He is getting too old.

Mr. Shaw: I do not understand why he does not decide to face up to the facts as they are and not endeavour deliberately or otherwise to distort that which is the fact, or mislead or confuse. Mr. Speaker, I see you are anxious about some of my expressions and I shall watch them very carefully.

Mr. Johnston: Quite mild.

Mr. Shaw: I shall try to keep within the rules.

The Acting Speaker (Mr. Beaudoin): Perhaps it would help the hon. member if I read citation 297 of Beauchesne's second edition, which reads:

> The imputation of bad motives, or motives different from those acknowledged, misrepresenting the language of another, or accusing him, in his turn, of misrepresentation, charging him with falsehood or deceit; or contemptuous or insulting language of any kind; all these are unparliamentary and call for prompt interference.

Perhaps I should also remind the hon. member that the hon. member for Athabaska is not present.

An hon. Member: He should be here.

Mr. Blackmore: It is his own fault.

Mr. Johnston: He should not make these statements and then run out.

An hon. Member: He is afraid to be here.

Mr. Shaw: Yesterday the hon. member for Athabaska referred to an incident which is presumed to have occurred in my province in 1938. He said he was there at the time. He referred to the occasion when a certain member, I believe for Edson, returned to the legislature of the province. He referred to what was presumed to have taken place within the assembly upon Mr. Unwin's entrance into that institution, and he said this at page 1819 of *Hansard* for April 24, 1950:

> I was right there and I know what I am talking about. I challenge anyone to deny it when I say that when Mr. Unwin came out of jail to resume his seat in the legislature there was a snake dance on the floor of the chamber led by Aberhart.
>
> Mr. Low: On a point of order, the hon. member for Athabaska is now telling an absolute falsehood because it did not happen as he suggests. I was in the house at the time.
>
> Mr. Dechene: I want to make it clear to the hon. gentleman that I am not taking back anything that I saw myself. I sat in the gallery when the snake dance took place.
>
> Mr. Low: On a point of order, I say that the hon. member for Athabaska is telling an absolute falsehood.

I am just a bit surprised that the hon. member for Athabaska did not demand that that be withdrawn as being unparliamentary. It makes me wonder. The hon. member for Athabaska (Mr. Dechene) went on to say:

> I am not retracting one single word.

He repeated that it had occurred, and he was so specific that he was not going to retract a word. I have the newspaper clippings for 1938 in front of me, and neither Mr. Aberhart, the late premier of that province, nor any of his cabinet ministers participated in that which was referred to as a snake dance.

Mr. Blackmore: In what paper?

Mr. Shaw: That is in the Edmonton *Bulletin* of Wednesday, March 23, 1938.

Mr. Chevrier: What took place?

Mr. Shaw: It reads:

> None of the cabinet ministers joined in, all remained seated save Mr. Maynard, who stood up and sang lustily, his voice being readily heard.

Mr. Chevrier: What took place?

Mr. Shaw: I am not going to take the time to advise the minister at this moment. He can read the speech delivered by the hon. member yesterday in the house. All I am endeavouring to do is to show that the hon. member for Peace River (Mr. Low) was right in his charge. If this is the kind of assertions that are going to be made here then I think some reform is necessary.

Mr. Blackmore: The people of Alberta would like to know.

Mr. Shaw: I do not recall who was in the chair yesterday, but my leader was not called to order. Reference was also made on the same page of the speech of the hon. member for Athabaska to certain persons who were presumed to have been accused by Mr. Unwin, who was an M.L.A., and another. The hon. member does not even get the names of the people right because Mr. J. J. Duggan certainly was not one of them. I am a bit surprised that he did not change that when he corrected his speech. In fact I am surprised that he did not throw out the whole speech after reading it and write another to take its place.

Reference was also made yesterday to my previous references to oil and the hon. member outlined his position with respect thereto. At page 1820 of *Hansard* the hon. member said:

> The farmers are told that they are not going to get their rights, that they are not entitled to any benefit for the wealth that God has put under their soil, because a few people think the money should be spent to build roads around Banff and other parts of the province.

That should make the hon. member for Calgary West (Mr. Smith) very happy. I repeat what I said before. The farmers benefit in two ways, directly and indirectly. I am not going to put on *Hansard* again all the figures which I referred to last fall. I merely wish to re-emphasize that the money accruing to the people of Alberta through its government as a result of their present oil policy has contributed immeasurably toward $50 million in debt reduction, has contributed towards a reduction in interest rates on our

provincial debt, and has contributed materially towards increased services which are being made available to the people from one end of the province to the other.

There may be an honest difference of opinion between the hon. member for Athabaska and myself. He is entitled to his opinion as to how these matters should be dealt with, but at page 1820 of *Hansard* he said:

> I wish I were a younger man. I would be willing to wage a campaign on this issue, but not for political purposes.

He has waged quite a campaign, and precisely for those purposes. He also has his young Liberal leader in Alberta who is in his thirties, and who has tried to wage a campaign on this issue without any result at all.

Mr. Wylie: He does not know any better.

Mr. Shaw: At page 1820 of *Hansard* the hon. member for Athabaska also said:

> So much has been alienated that it cannot be done now.

He was referring to the return of the mineral rights to the farmers of that province. I should like to remind him that 51 per cent of the mineral rights of the province of Alberta were alienated by the federal government before those resources were ever returned to the province. Yesterday the hon. member for Athabaska referred to the *Albertan*, a Calgary publication, as a rag. I suppose he will now refer to the Edmonton *Bulletin* as a rag when I quote from it now, although there is no reference to him in it except by inference. On page 4 of the issue of February 11, 1950, I find the following:

> Not even the most bigoted critic could maintain that the Alberta government has been backward or maladroit in developing the oil resources of the province. In most respects Alberta's oil policy is the best in the world. At the very least, it gets the oil out of the ground and puts it to useful work and at the same time sends a nice flow of profit into the public treasury.

I say to the hon. member for Athabaska that if he will reflect upon the fact that within the last year some $30 million has accrued to the people of Alberta from that resource, if he will realize how roads and public buildings have been expanded, if he will realize that the province was able to clip a substantial amount off the provincial debt this year and save $600,000 a year in interest, then he must surely agree that there cannot be anything substantially wrong with the policy being pursued in that province.

Mr. Blackmore: He will never agree with that, not as long as he is a Liberal.

Mr. Shaw: There is one publication that does seem to agree with him, and that is the *Farm and Ranch Review*. It is conceivable that most hon. members have never heard of it. I realize they are having such great difficulty in getting readers that they are even sending reprints to us to make sure that they have at least 262 readers. They do not reflect good judgment or sound public business sense. They do not show much beyond narrow partisan bigotry in their approach to this matter.

Mr. Smith (Calgary West): They wrote Prowse's speech too, incidentally.

Mr. Low: I would not be surprised.

Mr. Wylie: It was not worth reading.

Mr. Shaw: As I said, there is a publication that agrees with the hon. member for Athabaska because in a recent editorial which I have before me they decried the principle of slashing sums off our provincial debt and saving our people hundreds of thousands of dollars that would otherwise be paid out in interest. For a long time this same publication, the *Farm and Ranch Review*, has endeavoured to influence public opinion, but we can all bear witness to the dismal failure of that effort.

Well, Mr. Speaker, I am not going to occupy more of the time of the house. It seems rather unfortunate that one should have to speak in this vein at all, but I presume that as long as the hon. member for Athabaska (Mr. Dechene) represents that constituency and I have the honour to represent Red Deer, and as long as he insists upon delivering speeches of that character, I shall have no alternative but to occupy the time of the house as I have done today. We hope the hon. gentleman will learn something. Yesterday he mentioned that since I had taught school I should have some information. That I have. I think it most regrettable that the hon. member himself never taught school.

Mr. A. H. Jeffery (London): Mr. Speaker, I had no intention of speaking on the budget this session, but after hearing the remarks of the hon. member for Middlesex East (Mr. White) I thought I should answer some of the statements he made. I was not going to speak on the budget because I thought the Minister of Finance (Mr. Abbott) was doing an excellent job for Canada, world conditions being what they are, and I had little to offer in the way of criticism of his actions or proposals.

The hon. member for Middlesex East referred to the fact that the budget was for $2,400 million, and that the minister said that amount probably could not be reduced. That statement was criticized by the hon. member,

who said any government should have expenses that could be reduced in order to keep them in line with the prospective income. I wonder if the hon. member would like to do away with old age pensions, or perhaps family allowances, or perhaps farm price supports. Those are some of the items that make it necessary for us to have such a large budget. The hon. member speaks about reducing the costs of government, but he must realize that these costs are but an infinitesimal part of the total cost of government in Canada. The greater part of our income is devoted to old age pensions, family allowances and so on, and these are irreducible expenditures. We must realize that we cannot give to those in need unless we get the money somewhere, and that money can be obtained only through taxes which must come out of the pockets of the people of the country.

The hon. member spoke about hidden taxes. I believe the record of this government, and the amount extracted from the people of Canada during the war by way of income tax, speak well for its attitude toward hidden taxes. The government took taxes in such a way that everyone realized where they came from. The hon. member also referred to the Minister of Finance as Robin Hood. I think that was a rather apt comparison, because to a certain extent the minister does take from the rich in order to help the poor. But I think the minister is a little cleverer than was Robin Hood, because he has shown in this budget that he is not going to kill the goose that lays the golden egg. In other words he has realized that you cannot take more than a certain proportion from the wealthy to give to the poor; otherwise you finally tax the wealthy out of existence and have no place from which to get money. A perfect example of the minister's understanding of that situation is to be found in the ten per cent deduction a person is permitted with respect to dividends.

Then the hon. member dealt with the forced distribution of reserves, which he does not like. I think that is a forward step in the financing of this country. We are a young nation. We need a great deal of money in order to develop our resources. The trouble with Canadian industry up to the present has been that most of its profits have been plowed back in an effort to increase the stature of the companies; most of the profits have been kept in reserve in order to expand the companies. I do not think they have been paying enough of their profits to the shareholders. That is why there is difficulty in raising risk capital in the markets of this country. A sufficient percentage is not paid for the risk involved, in comparison with the income from bonds. If we limit reserves and provide that the rest of the profits must be paid out in dividends I think we shall advance a long way in encouraging risk capital to undertake the development of our resources.

During both this parliament and last parliament we have heard criticism with respect to the loss of export markets by this government. I believe the majority of hon. members of this house, and I think the public in general, realize that the loss of export markets is not the fault of this government but the result of world conditions. If a man has not money, he cannot buy. If foreign countries have not money to buy Canadian goods, we cannot export. I think we must realize that.

The hon. member also mentioned the fact that his party has fought against the pipe line bills. I want to point out that the majority of my party fought for those bills, not because we want to export gas or oil to the United States but because we feel that anyone bringing a bill to this parliament has a right to have it voted upon, and that the bill should not be held up by a small minority in this house. The hon. member also said we were exporting educated men. No one regrets that more than I do, or more than the party to which I belong; but I will say that if the hon. member looks at the statistics he will see that we are exporting fewer and fewer educated men. We are keeping more of them in Canada, and if our country continues to develop as it has during the past year or so our educated men will stay here.

Mr. Ferguson: Does the hon. member believe that the recognized opposition in the House of Commons, no matter how small it may be, has no right to debate a bill as fully as it sees fit? The hon. member just made the statement that the work of the house was being held up by a small minority. Does he believe that the recognized opposition, no matter how small, does not have the right to fully debate any bill?

Mr. Jeffery: I have publicly stated over the radio that any member of the opposition, and any member of this parliament, should have the right to speak on any bill. But when they have spoken three or four times on the bill and on amendments, when they keep speaking to the general principle even while speaking to an amendment, I do not say it is a hold-up of that bill but it looks very much like it.

The hon. member for Middlesex East (Mr. White) mentioned the training of officers in Royal Roads and the Royal Military College—if he did not mention Royal Roads I believe he intended to do so. I want to say to him

that his idea of training officers in civilian universities is a good idea for preliminary training. I believe he knows that the greatest officers in both the Canadian and the United States armies have been men who were trained in military institutions. I do not mean to say that the men who came from the C.O.T.C., or the men who came up through the ranks and became officers, were not good officers. Certain technical training can be received in a military college that cannot be obtained any other way. We all know that there have to be experts in certain subjects. There are certain members in this house who speak on certain subjects because they have been able to specialize in those subjects, and that principle applies all throughout life. We still need military colleges to teach our future officers for the war we hope will not come.

Mention was also made of the St. Lawrence waterway, and of the promises that our government would do everything possible to establish the St. Lawrence seaway. I believe the member for Middlesex East realizes that it takes two to develop this international seaway, and that Canada cannot do it alone. This government has communicated with the United States about developing the power alone, but the United States has not yet agreed to such a development. Canada cannot undertake it alone.

The hon. member for Middlesex East spoke of selling out our resources. He may have had reference to our oil fields, and to our ore. It is well known that we have to buy certain things from the United States and, in turn, we have to ship something to that country. One of the things this country has is natural resources. For the moment, Mr. Speaker, I should like to deal with the oil situation. I think we are shipping, and will ship, considerable oil to the United States, but I do not think western Canada will ship more oil to the United States than the United States ships back into eastern Canada. I think it is a trade of oil, and is not getting rid of our resources. What country but the United States carried Canada in the years during the war by supplying us with oil?

Mr. Ferguson: And who was paid for it?

Mr. Jeffery: Who is going to get paid for our oil that goes to the United States? Mention has been made of high tariffs by the member for Middlesex East. He wants tariffs on food from the United States, but he objects to tariffs on machinery coming from the United States. You cannot have your cake and eat it too. In order to sell goods, a country must import goods. Money is involved, but it actually comes down to a barter or trade arrangement. If we start putting up tariff walls, so will other countries. What is the most important industry in our country? It is agriculture. What is the most important export? It is wheat. If we put up a tariff against goods from England or the United States, how are we going to sell goods to those countries? They will need to get money with which to buy them.

Mr. White (Middlesex East): You have to pay 40 cents a bushel on wheat going into the United States; is that free trade?

Mr. Jeffery: I did not say it was free trade. The hon. member mentioned communist literature coming through our mails. I think the attitude of the government I support, and my own attitude, is that we should not ban any literature coming through the mails merely because it has the name "communist" attached to it. Communist might be the name of a party, the same as ours. What we must ban is any organization that we can prove wants to overthrow this government by force. If the communists can sell their system of government to the Canadian citizens, if they can elect a predominantly communist government, then they have the right to do so. It is only when they say they are going to overthrow this government by force that we have the right to control them. I have an interest in this, because sometimes people accuse me of being a bit extreme in my views on pensions and medical insurance. I do not want anyone in this country to stop me merely because I am a bit extreme. The minute I go into a public place and say I think the government should be overthrown by force, then I should be thrown in jail; I should be stopped. In certain parts of Canada we have examples of what can be done by gagging the people; let us not fall into that trap.

Mention was made of the employees at Westminster hospital, in the riding of the member for Middlesex East. He talked about the urgent school question, and the fact that the employees who have children are not paying taxes.

Mr. White (Middlesex East): Not all of them.

Mr. Jeffery: I should like to bet the member for Middlesex East that the number of employees who have children and who do not pay taxes is not more than ten per cent. I would bet him that the rest of the employees own or rent homes somewhere in London, or the district surrounding Westminster hospital, and pay taxes.

The hon. member for Middlesex East spoke about the income tax building in London; that was a grand election gag. A great deal of material was put out during the election campaign which was obviously partial

information. It was put out during the last three days, as a last desperate attempt to defeat me. I was sure enough of the election, and so contemptuous of their tactics, that I did not bother to answer the allegation. I can say now that the space rate at which the government rents that building is lower than that paid by the government in the last months of its tenancy of the previous building, and much below the regular rates charged in London. I can say also that the government has a right to buy this building at any time, with certain limitations—perhaps after three years, I have not the contract here. I can tell you that the government does not have to buy it, but can walk out and go to some other building. Supposing we have, and I do not believe we shall have for years to come, some sort of recession, and suppose the shelf program is put into effect; do you not think a new federal building would be a good idea? At the end of ten years the government could walk out of this building and say, "Good-bye; we rented this building cheaply, and we are now walking out."

The Acting Speaker (Mr. Beaudoin): Order, it is now six o'clock.

Mr. Hodgson: Do you call $70,000 cheap rent?

Mr. Jeffery: I said that the rent—

The Acting Speaker (Mr. Beaudoin): Order, it is now six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

CANADA DAY ACT

SUBSTITUTION OF WORD "CANADA" FOR WORD "DOMINION"

Mr. A. Phileas Cote (Matapedia-Matane) moved the second reading of Bill No. 4, respecting Canada day.

Mr. Knowles: Carried.

Mr. Cruickshank: Explain.

Some hon. Members: Explain.

Mr. Cote (Matapedia-Matane): I am sorry that at the request of a man who is the representative of fruit growers I have to explain a bill which has already been voted on. I have not prepared any speech. I am not going to make a speech, because I respect my colleagues in this House of Commons, the majority of whom are members of the former parliament who agreed to the principle of the bill and with the bill itself. It was passed by an overwhelming majority when it came up in the former house. I am sure that new members do not need to be canvassed to subscribe to what their colleagues did when they accepted this bill. But in the event that there are some new members who would like to have an explanation of this bill, as the hon. member for Fraser Valley (Mr. Cruickshank) does, and who got tangled up in his position—

Mr. Cruickshank: On what?

Mr. Cote (Matapedia-Matane): If I remember well, the hon. member spoke one way and voted another. That was the first instance. The last instance was a few weeks ago. I would refer the new members to Bill No. 8, which was passed in this house on April 4, 1946, by an overwhelming majority. Such a desire was shown for the passage of the bill that it was given third reading the very day on which it received second reading, which established a precedent in parliamentary procedure. Of course it did not receive the blessing of the other place. In dealing with it they spent months of time at the taxpayers' expense. In that instance, I do not think they established the reason why there should be another place, and in the second instance, I do not think they established the fact that the members who were there should be there. Fortunately for Canadian unity God Almighty came into the picture and called from that other place to another place most of the members who opposed the bill, and I am sure that the replacements will prove that they are worthy of their appointments.

If I have not brought this bill before the house again after a lapse of a few years, it is because I wanted to give the government a chance to proceed with emergency legislation; but I think I have come to the time when I should decide whether I was sincere with this thing or not, because after all we are in 1950. This bill was introduced and passed first in 1946. My second reason is that during the leadership of that great statesman who is Prime Minister today we have proceeded with important things to make this Canada of ours a great country for all Canadians, new loyalists as well as old ones. We had the opportunity to pass legislation supported by the government to make the supreme court our final court of appeal. We passed legislation to make it possible for this parliament to amend the Canadian constitution. We passed legislation, sponsored by the Prime Minister of today, that gave to Canada the greatest possible autonomy—if we have to speak about autonomy at times—that ever existed since confederation, when the former minister of justice introduced in the last parliament a bill that made Canada no longer subject to

the parliament of the United Kingdom, a bill which made our laws no longer subject to the parliament of the United Kingdom if they wanted to disallow them.

On August 12, 1946, I asked a question of my dear old friend, the late Senator Mackenzie and former minister of national defence, who was leading the house at the time, and who perhaps found it a little boring. Nevertheless I asked my question, directing my remarks to the present Prime Minister (Mr. St. Laurent) who was then acting prime minister, and minister of justice. I pointed out that even though it was almost eleven o'clock, my bill should be proceeded with. I asked further whether it was not more important to proceed with Bill No. 8, which had been amended in the Senate—the other place, as we call it—and which had reference to Canada day. At that time I said:

> I should like to know from the government leader whether such a bill, after being passed in this house, and having received the sanction of the Senate, even with amendment, is not as important as, for instance, Bill No. T-11, an act for the relief of Fania Pustopedskaites Sobolevicius, otherwise known as Fanny Pustopedsky Sobolevicius.

The Prime Minister was good enough to answer in this way:

> The hon. member will have to trust that the house, the country and the government will consider as to whether the matter should not be reintroduced as a measure having other precedence at the next session of parliament.

Of course I fully realize the situation of the government, when it had to deal with emergency legislation. But I do suggest that after four years, and a general election which brought back to the House of Commons a majority of the members who sat here at that time, and who supported the bill in such a hurry and with such an overwhelming majority, I would be unfair to my colleagues in the house if I were at this time to make a speech to try to convince them, when it is so clear that they were fully convinced when the bill was first introduced.

I resume my seat, Mr. Speaker, with the conviction that I shall not need to go any further before having the bill accepted. I hope this bill will not be considered as one which simply follows the precedent set up in the telephone books, which no longer bear the name of the dominion, nor the public vehicles of the various departments from which the word "dominion" has been taken off, but that it will be considered as an acceptance of one of the great principles of the Liberal party which, somehow, has not been considered by the other place. After this bill has passed, the way it was passed in 1946, if it receives the same treatment in the other place, I hope this house will make it clear to that other place that if they do not come into line there will be some trouble over it.

Mr. E. T. Applewhaite (Skeena): Mr. Speaker, I am not happy about this bill, nor would I be happy to see it pass.

An hon. Member: It has passed.

Mr. Applewhaite: I would not be happy to see it passed at this session. After all, speaking frankly I can see no good reason for the bill, and a considerable number of reasons against it. I suggest the house might well pause and consider the effect of this legislation before taking a vote upon it.

I suggest the bill does not affect the physical, material or economic life of the country. Therefore, for want of a better term, I would describe it as a sentimental bill, as contrasted with a practical one. I realize that that is no argument against it; but it does indicate that our discussions and decisions concerning it will be based on sentimental arguments. It may be of course that a little sentiment in the chamber from time to time is a good thing.

The purpose of the bill is a simple one, namely, to change the name of Dominion day to Canada day. It does not change the day, the legality of the holiday or its observance, but simply changes the name. That is its sole effect. I do not propose to inflict upon the house the well-known and beautiful history which attaches to the decision to call Canada the Dominion of Canada. Speaking historically however I would point out that there was a Canada before July 1 1867—in fact, there were two of them, Upper and Lower Canada. There was no Dominion of Canada before that date. On the coming into force of the British North America Act, for the first time in history the Dominion of Canada came into being. The country was here before that, but the Dominion of Canada as such was not.

Why have we decided to celebrate July 1 as our national day, a day which apparently still meets with the approval of the sponsor of this bill? The answer, as we tell it to very small children in their school classes, is because the first of July is the birthday of the Dominion of Canada. As all hon. members know it was on July 1 that the British North America Act became effective. The title of that act reads, "An act for the union of Canada, Nova Scotia and New Brunswick", and so on. The preamble to the act opens with these words:

> Whereas the provinces of Canada, Nova Scotia and New Brunswick have expressed their desire to be federally united into one dominion under the Crown.

The important words in section 3, which deals with union, make reference to "the provinces of Canada, Nova Scotia and New Brunswick", and say that they shall form and be one dominion.

As a Canadian by birth I am not in the least ashamed of the history of Canada. I feel we all have every reason to be proud of that part in our history played by both our British and French ancestors and predecessors, and that we have no reason whatever to feel any shame or any inferiority at this time when they together, some eighty-two or eighty-three years ago, decided to unite to form the Dominion of Canada.

I suggest, Mr. Speaker, that this bill has a more far-reaching effect than its simple terms and explanation would lead one to believe. After all, we are not going to change the name of our national holiday every session. If it is done now, it will most likely be done for all time. I suggest that we in this parliament should not take this action until we have, or are able to produce such overwhelming examples of public opinion on this subject as, so far as I know, no one has been able to produce to date.

The word which it is suggested should be removed, and which presumably is objectionable, is the word "dominion". The first definition of the word "dominion" given in Dr. Annandale's dictionary, the only one with which my roommate supplies me in our office, is "a sovereign or supreme authority."

The word "dominion" in international politics is now synonymous with an autonomous member of a commonwealth. If there ever was any stigma attached to the word "dominion" it was that it implied a form of colonialism, but in fact you will not find any of the colonies described as being dominions.

As one who is Canadian-born I have an affection for the term "dominion". I suppose that affection dates back most likely to the fact that the first holiday I can remember after Christmas was Dominion day. I am not ashamed to admit affection and respect for such expressions as Dominion day, dominion jurisdiction, dominion holiday, and at the present time I admit to having both affection and respect for the dominion government.

I suggest in all sincerity and with sympathy that the underlying feeling behind a move of this kind is really something in the nature of an inferiority complex. I suggest that we in Canada have gone far beyond the stage where we need suffer from an inferiority complex. I think that we have taken our place in the world as a self-governing, autonomous, independent nation and we would be almost making ourselves ridiculous if we were to comb the dictionary and the statutes to look for a word which might imply something less than autonomy, to try to find a word to take the place of that beautiful word which has such a beautiful history in Canada.

It may be argued that the word "dominion" as applied to Canada lowers our status, but is it not a fact that Canada and the other dominions by their existence, by what they have done in the last few years, have raised the status of the word "dominion" until it now means an autonomous and independent country, a country which may be regarded with pride by its own citizens?

Is it suggested that we go back to the old use of the word? Is there a fear that some body or some thing has dominion over us if we call ourselves a dominion, or have we dominion over ourselves? If that is the fear, then who or what has dominion over us? Surely to goodness with all the speeches that were made last year on that glorious occasion when Newfoundland joined us, with all the speeches that were made during the various debates dealing with appeals to the privy council, with all the speeches and writings since the Statute of Westminster, does any thinking Canadian really believe that anybody, even the imperial government or the imperial parliament, has any dominion over us.

That leaves only His Majesty. As far as I am concerned I am proud to admit that His Majesty still has dominion over me. That is the only tie—a worth-while tie it is—which holds together—and a difficult job it is—the British commonwealth of nations, which is regarded by many as being one of the few hopes left in a foundering world. I suggest it is of sufficient importance to be considered that any action we might take as indicating anything but the greatest union within the commonwealth is an action which we certainly should not take at this time.

There are one or two practical difficulties in removing the word "dominion" and changing the name of Dominion day. In the histories and geographies published in this country, in books, in official and semi-official publications, there are many references in the way of definition of jurisdiction and so forth to dominion and provincial. That is not an insuperable difficulty, but it might well be borne in mind.

My real objection to the passing of this bill is that we have no evidence of an overwhelming demand for it. My own opinion based on some knowledge is that there is no demand

for a bill of this kind in the west, and I submit that there is no demand for a bill of this kind in this dominion.

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, I was a member of the house when a similar bill to the one now before us was introduced and debated and as far as I know I voted for it at that time. I must admit, however, that I have felt uneasy in my mind about it, not that the matter was or is of supreme importance. As the hon. member for Skeena (Mr. Applewhaite) has so well said, to attempt to make this change at the present time is bordering on the ridiculous.

I know the hon. member who has introduced this bill has done so in all sincerity and with the best of intentions, but let me draw to his attention the fact that the observance of Dominion day is merely the observance of an event in Canadian history, the federation of the various provinces into a dominion. That event will not be changed by calling July 1 Canada day. It seems to me that every day should be Canada day and I think it is silly to set out one particular day and call it Canada day.

Let us continue to call July 1 Dominion day because on that day Canada reached dominion status. If there is some particular day when Canada outgrew dominion status and became a sovereign nation, let us take that day if we want to have another holiday and call it Canada day. As I say, even if we change the name of July 1 from Dominion day to Canada day we do not change the event or the circumstances that brought that day into being as a day of observance.

I am Canadian-born, like the hon. member for Skeena, and I deem it an honour to be a Canadian. I suggest to the mover of this bill that when we have had a discussion of it that he should withdraw it and that we leave things as they are. It does not take away anything from the stature of Canada as a nation or the place that Canada holds in the hearts of the people or the respect that Canada has among the nations of the world by calling July 1 Dominion day. If the motion comes to a vote, as I have changed my mind on the matter I shall vote against it.

Mr. John Hunter (Parkdale): Mr. Speaker, it appears to me that there is a great deal of protesting going on and I am reminded of the old phrase: Methinks she doth protest too much. I rather think that that is applicable to this debate. As an English-speaking Canadian I can enter into this debate without any accusation of being prejudiced or unfair. The fact is that after the passing of the British North America Act we became the Dominion of Canada, and through the slow evolution of events we gradually attained maturity. Today we are not the Dominion of Canada; we are Canada, and we are known all over the world as Canada. We have our own court of last resort. We have our own armed forces, and our own embassies abroad. We have all the attributes of a nation today. The King is the King of England but he is also King of Canada. To protest against changing the word "dominion", a word for which I have every respect and which in its day had a connotation of beauty and deserved great respect, and to accuse people of changing it to "Canada" carelessly is not in conformity with the facts. The facts are that the country has changed; the country has grown up. I can understand that for those who have not grown up with the country there may be a certain sentiment in what has formed a part of their environment, but I suggest that in fairness to the rest of the country they endeavour to catch up.

I can recall that as a lad I occasionally heard people refer to what is now known as a motorcar or automobile as a horseless carriage. There has to be a transitional period during which something is called what it is at the time or what it appears to be, but the gradual evolution of events, and changes in history, have brought about something new. Today we have arrived at the point where "Canada" is appropriate. I am very proud of Canada. I was proud of the Dominion of Canada, but now that we have attained our majority and apparently grown up beyond some of the members of the house we should make a change. I am singularly proud of the word "Canada". As an English-speaking Canadian I feel that English-speaking Canadians generally will welcome the word "Canada" and "Canada day".

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, I will not take up much of the time of the house. There is a certain amount of sentiment and tradition about the word "dominion". I have a dictionary here and I find that it has two or three meanings. It means "a supreme power or authority, control, rule, or the self-governing territories of the British empire". I hope we are still a part of the great British commonwealth of nations of which we are all so proud. I think every member of the house is proud of Canada as a self-governing nation. Sometimes these things are easily changed and it does not always please the majority of the people of Canada. It is likely that some few years hence the country may be ready for a change of this kind, but at the present time I do not think it is. Last year the name was changed in the telephone directory. I asked a question then as to why and by whom it was changed. That does not matter so much,

but at that time I received a great deal of correspondence from the whole of the Dominion of Canada, and I did not receive one letter in favour of it. After all, some people think they would like to keep the old tradition of calling it the Dominion of Canada.

So far as changing the name of a day is concerned, it is a very small matter, and in fact really too small to take up the time of the House of Commons. I do not think the bill should have been introduced at this time. There are other nations of the British commonwealth, and there is not an Australia day, a New Zealand day, an India day, or a South Africa day. They have other names for their days of celebration. I do not see why we have to depart from the old word "dominion". There are many old people in the country who cherish the name and who remember the days of 1867 when this country became the Dominion of Canada. It seems to me that it is a tie binding our provinces to one another. In the old biblical days there was a phrase "dominion from sea to sea". I think we are a little premature, that we should wait a while and not be in a hurry about these matters. I do not know why we should want to call our day of confederation "Canada day". It has been called Dominion day ever since confederation in 1867 and I do not see any reason for changing it. I think the time for that has yet to come.

There are probably some people in the riding of the hon. member for Matapedia-Matane (Mr. Cote) who would like to call it Canada day. I do not know that there is any legislation in the statutes of Canada that prevents them from doing so. If the hon. member were advertising the day in his own territory he could call it Canada day and I do not think anybody would find fault with him or his people. I am sure I would not, and if I were there I would certainly be glad to celebrate with him, whether he advertised it as Canada day or Dominion day.

One of the greatest statesmen of Canada, Sir Wilfrid Laurier, was proud to call it the Dominion of Canada. Other leaders were also proud to do so. The former prime minister, Mr. Mackenzie King, called it the Dominion of Canada many times in his speeches in the house during his thirty years of service. Sir Wilfrid Laurier said that the nineteenth century belonged to the United States and the twentieth century would belong to the Dominion of Canada.

Mr. Sinclair: And the Liberal party.

Mr. Hodgson: I am glad you mentioned that because within the last fifty years Canada has not developed either commercially or in population as rapidly as the United States, and probably that is one of the reasons why.

Mr. Sinclair: Oh no.

Mr. Hodgson: You brought the matter up. With the exception of a few years we have had a Liberal government in power since 1896.

Mr. Cruickshank: Hear, hear.

Mr. Sinclair: By choice of the people.

Mr. Speaker: Order.

Mr. Hodgson: In 1896 when Sir Wilfrid Laurier came into power he set a precedent in the house by leaving the previous Speaker in the chair. If I were forming a government I would be happy to pay you the same compliment, Mr. Speaker. It is hard to tell because times change—

Mr. Cruickshank: Especially leaders.

Mr. Hodgson: My party might have the opportunity. I think this measure is a lot of nonsense and is taking up too much of the time of the house. So far as the change is concerned I am opposed to it.

Mr. G. A. Cruickshank (Fraser Valley): Mr. Speaker, I will be very brief in my remarks because one of my younger colleagues can see me now, having lost his vanity and purchased a pair of glasses. Strange to say—

Mr. Sinclair: Open season now.

Mr. Cruickshank: Yes, open season. I do not believe the name should be changed. I am perfectly satisfied with Dominion day. If it were to be changed I do not think it should be Canada day at all. It should be Fraser Valley day. That would suit everybody. I think I know something about Canada. I have had the privilege of travelling in all parts of Canada.

Mr. Sinclair: You were born in the United States, though.

Mr. Cruickshank: Yes, as my young colleague says, I was born in the United States, our great and friendly neighbour to the south. I had sense enough to get out, however, when I was eight months old. I do not want to take too much time; I do not want to speak until nine o'clock. Some of my colleagues came from the country from which my mother and father came; that is Scotland, which next to Canada is the greatest country in the world.

Mr. McIvor: Question!

Mr. Cruickshank: I have never had the privilege of visiting Ireland. You know, I do

not get these trips; I am not flown all over the world. Incidentally, Mr. Speaker, in my opinion the finest legislation brought down since I have had the honour of being a member of this house was the citizenship bill which was brought in under Right Hon. William Lyon Mackenzie King. Through the generosity of the people of my riding I am sure of being returned at each election, something of which some of my junior colleagues from the province are not so sure. By a little scrimping here and there I have been able to buy a new automobile, and I drive home each year. Up to the present I have had to go home through the United States in order to be sure of paved roads.

Mr. Lesage: You are killing time.

Mr. Cruickshank: Me?

Mr. Lesage: Yes; you are killing time because you are afraid of a vote.

Mr. Cruickshank: Well, I do not know that I am as much afraid of a vote on this matter as my Quebec friends were afraid of a vote on the margarine question. I do not know why I should be afraid of a vote on this subject. You know, Mr. Speaker, with the possible exception of Saskatchewan the province from which I come has a more cosmopolitan citizenship than any province in Canada. When I was a young man I used to hear that everyone who came west came from Bruce county, Ontario. Those of us who live in British Columbia and Saskatchewan, however, have come from all parts of the world. Mention was made a few moments ago of the richest country in the world, the United States, whose population is made up of people coming from all over the world. I do not believe that in Canada we should have anyone called French-Canadian, Irish-Canadian, Swedish-Canadian or anything of the kind; I believe we should all be called Canadians. In two great conflicts, though not directly attacked, Canada played a part that no other country could surpass or equal; but we can still carry on as a dominion.

Mr. Cote (Matapedia-Matane): What kind of dominion? The Dominion of New Zealand?

Mr. Cruickshank: I think we have the finest dominion in the world.

Mr. Cote (Matapedia-Matane): Clarify what you mean by a dominion.

Mr. Cruickshank: We have our status. As a previous speaker said, no one tells us what form of justice we shall have, or what kind of laws we shall have. We formulate our own laws. We elect our own parliament by free, secret ballot. I am not very fond of all this pomp and pageantry, but I agree that nothing binds the British empire together as much as our loyalty to His Majesty the King.

[Mr. Cruickshank.]

Mr. Lesage: Let us call Canada a kingdom, then. It is not a dominion.

Mr. Cruickshank: My friend has an opportunity equal to mine to rise in his place and speak. I come from a province that is predominantly British.

An hon. Member: You have nudists there.

Mr. Cruickshank: Yes, and that is one of the reasons we want to remain in the British commonwealth of nations. If we had our way in British Columbia those same Doukhobors would be sent back behind the iron curtain where they came from.

Mr. Argue: Just put some clothes on them.

Mr. Cruickshank: It was my misfortune today to have to listen to a speech made by the hon. gentleman who just interrupted. Along with many other hon. members I have had to do that many times before, but that is part of the price we have to pay for sitting in a free, democratic House of Commons elected by the people of Canada. As I said, Mr. Speaker, I do not want to delay this vote.

Mr. Lesage: The filibuster champion.

Mr. Cruickshank: I have never had any experience in this filibuster business, as some of my junior colleagues have, and I am not very sure what a filibuster is. As a matter of fact I had two invitations to free dinners this evening. You know, my father and mother came from Scotland, and we like free meals; so it was with much regret that I turned down those invitations. I am here tonight because I thought between eight and nine o'clock it was possible some mention might be made of the pipe lines, and I wanted to be present. You see, there are two bills, No. 131 and No. 132.

Some hon. Members: Order.

Mr. Speaker: Order.

Mr. Cruickshank: I knew I would get out of order if I kept on going. You know, this country means a great deal to a Canadian who had the high privilege of serving in the Canadian forces. I remember that in 1916 I had the opportunity to visit Paris, a beautiful town, one of the most beautiful in the world. At that time, however, I was not a member of parliament; I was not flown over there—

Mr. Cote (Matapedia-Matane): On a point or order, Mr. Speaker, I do not think this hour should be devoted to the meanderings of the hon. member for Fraser Valley (Mr. Cruickshank), who is not discussing the matter before the house.

Mr. Cruickshank: Well, I do not know whether I am speaking on the point of order

or whether I am speaking of the beauty of Paris. In the year 1916 I had the privilege of visiting that town. At that time I was sent to Paris at the expense, and through the generosity, of the Canadian people, but I was receiving $1.10 a day. I was not flown there while receiving $10,000 a year, as happened to some others. But I enjoyed Paris as well as the others, Mr. Speaker. I am simply emphasizing that, so long as we maintain unity within Canada and the great commonwealth, whether it be under the name of Canada day, Dominion day or Fraser Valley night, it makes little difference, provided we remain within the allied peoples of the world who believe in freedom and democracy. I can see no reason for endangering that unity by changing the name.

I had the privilege of visiting Quebec city, along with some of my junior colleagues, to attend the Canadian Legion convention. We attended a beautiful service on Sunday afternoon on the plains. The only thing to which I objected was that they walked us out there, instead of giving us a ride. It was all right for me, because I am in better physical condition than some of my junior British Columbia colleagues. I was quite proud during that visit—

Mr. Hodgson: Probably the junior members are used to flying around.

Mr. Cruickshank: I do not know. It is bad enough, Mr. Speaker, to receive advice from the left and from the right, but when I receive it from the other side it makes it difficult.

I do not want to delay this vote, Mr. Speaker.

Mr. Sinclair: Why not go back to Paris.

Mr. Cruickshank: Yes, I will, because it was as a representative of the great Dominion of Canada that my regiment, along with other regiments from the British empire, was there. I am proud to say that my regiment was commanded by a colonel from the city of Montreal—some people called him a French-Canadian, but I called him a Canadian. Almost every regiment within the British empire was represented, and we were reviewed by the President of France. It was a great honour and a privilege, Mr. Speaker. It was shortly after Vimy and the name "Canada" had won the respect of every citizen of France. As a matter of fact I have not the time to go into all the details, because I do not want to delay things. I will tell you how I happened to be there.

Mr. Carroll: May I ask the hon. member where he finds the authority for calling this Canada the Dominion of Canada?

Mr. Cruickshank: Well, I do not know; I have never had the privilege of being a former judge, so I am sorry to say I cannot give the legal definition. I will give you the definition that I learned when as a small boy I was taken to the first of July picnics by my mother. We did not have the picnics that you have today. We went in a hay wagon to a little country picnic, but it was on Dominion day, the first of July. I was brought up to believe that this country is equalled by no other. The legal status of Dominion day, I cannot give you.

Mr. Carroll: There is support for Dominion day, but I asked the hon. gentleman his authority for calling this Canada the Dominion of Canada.

Mr. Cruickshank: Again, Mr. Speaker, I must say that I have not the information to answer that question, nor the legal knowledge. Through you, Mr. Speaker, I do want to say to some members that one of the great things the Dominion of Canada has done is to provide us with one of the finest libraries in the world. It is available to every member. In addition to that the people of Canada, through their generosity—and apparently some members do not realize it—have provided us with a legal branch. If any hon. member's legal knowledge is limited, he can secure the desired information from the legal branch.

Mr. Carroll: I was merely trying to help the hon. gentleman.

Mr. Cruickshank: I have enjoyed receiving advice from every side, and especially from junior Capilano. I am now receiving advice from one of the members I revere most in this house.

Mr. Speaker: Order. I am sorry to interrupt the hon. member, but I must inform the house that the hour reserved for private and public bills has expired. The house will resume the business that was interrupted at six o'clock.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed consideration of the motion of Hon. Douglas Abbott (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Macdonnell (Greenwood), and the amendment to the amendment of Mr. Coldwell.

Mr. Jeffery: Mr. Speaker, at six o'clock I was in the course of being interrupted by one of His Majesty's loyal opposition, I believe

the member for Victoria, Ont., (Mr. Hodgson), who asked me about the rent paid for the new income tax building in London. I should like to inform the house, sir, that according to my recollection that building contains between 35,000 and 40,000 square feet of floor space. According to the information given to me by the member for Victoria, Ont., the rental is approximately $70,000. I ask the hon. member where, in any good-sized city, he can rent good space for less than $2.50 per foot. I defy him to have found, even at the time the contract was signed, space in a new building such as this, well lighted, for any lesser amount.

The member for Middlesex East (Mr. White) referred to a delegation that came to Ottawa about an agricultural building and arena which is being erected in London. I had the honour of being with that delegation when they interviewed the Minister of Agriculture (Mr. Gardiner). My impression from that interview was that the minister and his officials were open to persuasion with regard to a further contribution to this project. Where the hon. member for Middlesex East (Mr. White) got his press report I cannot figure out. I should like to know, because I cannot get the newspaper from London down here within forty-eight hours. Where he got it, I do not know, but I will say this. When that proposition started out the whole building was to cost $1,200,000. I was on a delegation that came down to get a donation from the Department of Agriculture, and we succeeded in getting a grant of $200,000 toward that building, which, as I say, was to cost $1,200,000.

I want to say, in fairness to the province of Ontario, that they duplicated the sum. We now have a proposition which is being built in the city of London, and which is to cost between $1,600,000 and $2 million. This delegation came down to see the Minister of Agriculture (Mr. Gardiner) to see if they could get help. They were told by the minister that if the province of Ontario would make recommendations to the federal government, to the Minister of Agriculture, they would give consideration to it. He did not promise money, but he said: "We will give good consideration to the representations of the province of Ontario that there is necessity for more money to help this project."

In closing, Mr. Speaker, I wish to say that I have known the hon. member for Middlesex East for some years, and I respect his honesty and his sincerity, but I do think that he has been misinformed and perhaps misled by people outside this house in some of the information that he gave to the house today.

[Mr. Jeffery.]

There is just one more thing that I should like to associate myself with, namely, the speech of the hon. member for Leeds (Mr. Fulford), who spoke of the difficulties that Canada is experiencing in her trade with the West Indies. I had representations from three large factories in my constituency. The owners of these factories say that their trade with the West Indies has been cut off entirely, and as a consequence their factories will be shut down from six weeks to four months during each year unless they can replace that trade somewhere else. I do urge this government to make strenuous representations to the government of Great Britain that they allow the West Indies to open their natural trade with Canada.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, over a period of a great many years young Canadians have been leaving this country in small numbers to join the Royal Navy, the British regular army and the civil service of Great Britain. In the past, every year, opportunities have been offered to the senior cadets of the Royal Military College to take up commissions in the royal engineers and other regiments of the British army.

On June 5, 1946, a convention was signed dealing with the question of dual taxation. Under article X of that convention it was arranged with the United Kingdom government, and Canada agreed, not to tax pensions paid by the government of the United Kingdom to persons who were residing in Canada. Of course that applied not only to Canadians who had left Canada and had seen service with the British forces, but also to immigrants from the United Kingdom who were in receipt of pensions. I believe a reciprocal condition applied whereby any Britisher who had served in the Canadian forces, and was in receipt of a pension and retired in the United Kingdom, would not be taxed by the United Kingdom authorities. Of course I am not referring to the disability pensions, because disability pensions are not taxable either in this country or in the United Kingdom.

However, I feel that that convention has not worked out in the best interests of Canada or of Canadians. In the first place, very few Canadian pensioners are now living in the United Kingdom, but we have quite a large number of Canadians who have served in the forces of the United Kingdom, or the services of the United Kingdom, and have returned to Canada, and we have a very large number of United Kingdom pensioners who have immigrated to this country.

Unfortunately the regulations place a very great hardship upon the British pensioner who is now resident in Canada, because he is liable to the United Kingdom income tax

if he is in Canada, and he is assessed on a formula which takes into account the sterling value at the current rate of exchange for any Canadian dollar income enjoyed by that pensioner over and above his pension. The effect of devaluation has been, of course, to increase the amount of any such dollar income in terms of sterling, and thus to increase the liability of the pensioner to the United Kingdom income tax. At the same time the pensioner has received a blow on the other cheek as the result of devaluation which, of course, reduces the dollar value of the net amount remitted to him.

The imperial pensioners who have income in Canada have therefore been subjected, since last September, to a twofold reduction in their net income. They are in fact taxed by the British government on their pension and by the Canadian government on the Canadian income, and the rates of taxation in both cases are based on the total income.

I have a case in my constituency of a warrant officer who had served for 27 years in the British army and the Royal Air Force. His pension did not come within an income tax bracket in so far as the British tax is concerned, but he has come to Canada and he is earning a living here. The net result is that his earnings here have placed him in a bracket whereby his British pension becomes taxable in Great Britain; and in every case where a British pensioner is working in this country it raises his tax group both in Great Britain and probably in Canada as well, and in consequence of the devaluation which took place last September, these people are under very considerable handicaps.

Of course the British rate of taxation on income tax is much higher than the Canadian rate. On the British income tax rates anyone with an earned income of $2,000 would be taxed, if he were a single person, at $392. If he were married with two children he would be taxed, under the British rates, at $148; whereas, under the Canadian rates, if he was a single person he would be taxed only $150, and would not be taxed at all if he were married with two children. Then, if we go to higher brackets, we take the case of the British taxpayer who has an earned income of $4,000. If he were single he would have to pay $1,112, whereas if he were married with two children he would have to pay $847. On the other hand, the Canadian with the taxable earned income of $4,000 would have to pay, if single, approximately $510 and, if married with two children, he would have to pay only $269.

I know these regulations are in accordance with the convention signed in 1946. My object in speaking briefly tonight is to ask the minister if he will consult with the British authorities to see if something cannot be done to alleviate the difficulties of our own Canadian men who, at the request of the British authorities twenty or thirty years ago, left this country and rendered a service in the forces of the United Kingdom. I would ask also whether something cannot be worked out with the United Kingdom authorities to see if those pensioners from the United Kingdom who have taken up residence here in Canada cannot have some easement of this heavy burden of taxation placed upon them because of this dual taxation convention, which has not worked out to the best advantage of Canada and Canadians.

Mr. J. W. Noseworthy (York South): Mr. Speaker, there are I suggest a great many reasons why this year of 1950 should be a momentous year in Canada's economic history. We have just come through three or four of the most prosperous years we have ever known. That prosperity I believe is due to a number of factors. There is the fact that there was accumulated during the war years considerable purchasing power in the pockets of the Canadian consuming public; there is the fact that there piled up a great demand for consumer goods; and the fact that through ERP we were able to find markets for much of our farm produce. These were years in which the government income increased by leaps and bounds, and surpluses reaching into the hundreds of millions piled up. Part of this condition was also due to the disposal of wartime assets, rather than to any direct policy or any stimulation by government policy.

This would seem to be a year in which Canada could go on expanding her economy, a time when we should seek to raise still further the living standards of our people, a year in which we should seek to provide greater employment for our people, a year in which we should move forward to the development of our natural resources for the benefit of our people—a year, in other words, in which Canada should be expanding and growing, a year in which we should be able to bring to this country immigrants for whom we should be in a position to provide houses and employment, immigrants who could help build a Canadian prosperity.

When we look at the budget we find little in it—as little, in fact, as we found in the speech from the throne—to encourage us in the belief that 1950 will prove to be any such year. The budget has been designated as a stand-pat budget—a stand-pat budget

at a time when this country and its government should be seeking to expand our economy rather than to mark time.

The minister takes the position that most of the estimated revenue in the coming year will be required to meet the present commitments of the government, and that no further expansion of social services can be expected without increasing the present forms of taxation, or imposing new taxes. Apparently the government is not prepared either to increase present taxes or to impose new taxes for the purpose of extending social services.

Mr. Martin: They have been extended this year to the extent of $60 million.

Mr. Noseworthy: It has no longer any faith in the future expansion of our trade and industry to the point where greater income may be realized from existing forms of taxation. While the government does not wish to impose new taxes or to increase present taxes, it apparently sees no hope of any further expansion of our trade and industry to the point where the government can commit itself to any expenditures other than those to which it is already committed.

It is in my opinion the absence of that faith and vision in the future of this country that is the most disappointing feature in this year's budget. We have learned in recent years from a great many of the most outstanding and progressive economists, and we have learned from the government itself, that it is the responsibility of good government to direct the economy of the country, that it is the function of good government to assist in the development and expansion of our trade, that it is the function of good government to maintain domestic expenditures on consumer goods, that it is the function of good government to encourage and to assist in expenditures on capital goods.

We have been taught from government white papers, government green papers and cabinet ministers' speeches that it is the function of government to raise the standard of living of our people through adequate housing, through full employment and by expanding social services. These are the policies that from 1945 until the election of 1949 the government led us to believe were and would continue to be its policies. If anything is clear from the budget speech it is that the government has departed from those principles and has reverted to the policies which had such disastrous results in the pre-war years. The government has reverted to the policy of leaving the fate of the future entirely in the keeping of private enterprise. I submit that that is a job which private enterprise cannot be expected to fulfil in the best interests of the country. I shall touch with a little more detail on one or two of these points which I have raised already.

In the white paper of April 1945 and the green book of August 1945 the government pointed out with great care that in order to maintain full employment in the country it would be necessary to maintain our trade with other countries, particularly with the United Kingdom. They pointed out most carefully that while to some extent that trade would depend on world conditions, yet there were many things the government could do. There are many things which this government has not done and is not proposing to do in the present budget.

There was specific reference to the fact that adjustments of tariffs might be made to regulate and increase foreign trade. Today our great difficulty is finding markets in the United Kingdom. The United Kingdom is unable to buy our goods because of a lack of dollars and we just have not found enough intelligence in our government to devise a means by which we can get our goods to England in return for the goods she wants to sell us.

I should like to congratulate the Minister of Finance (Mr. Abbott) upon his report of a few days ago that a committee of Canadian businessmen has been appointed to assist in finding investment opportunities for Canadian capital in sterling area countries. According to our best economists that is one thing that would assist in enabling sterling area countries to buy our goods.

There is not much evidence that the government is doing anything in the way of reducing tariffs on goods from sterling area countries in order to promote trade between Canada and those countries.

So far as I know the only step the government has taken to encourage the investment of Canadian capital is the setting up of this committee. A few weeks ago when the leader of this group suggested that one remedy for our trade situation would be the acceptance of sterling for Canadian goods and the reinvestment of that sterling in sterling area countries the minister objected and said that Canada needed all the capital she could find for investment in Canada. Apparently the government is beginning to see a little light and has given its blessing to the establishment of a committee of Canadian businessmen for the express purpose of finding opportunities for investment in sterling area countries. That is a move in the right direction on which the minister is to be congratulated. We can only hope that during

the year the government will seek other means of making it possible for those countries which need our products, particularly our food products, to be able to buy them.

According to the statements made from 1945 to 1949, the keynote of government policy was the maintenance of full employment. There has been considerable unemployment in Canada during the past winter but government spokesmen have said that this is seasonal, that it is due to the climate and hard winter, that everybody, including God, is to be blamed except the Liberal government. If the government had put into effect early last fall the policy which it set forth so clearly between 1945 and 1949, if it had been ready as it said it would be to initiate government projects or projects of public works in those places where unemployment appeared, a great deal of suffering would have been avoided this year.

There have been more workers employed this year than in any other year, but we must expect that as our population increases and as we bring immigrants into the country. Notwithstanding that increase in the number of employed people there were over 400,000 registered unemployed in the country this winter. That bespeaks a great deal of suffering on the part of many of those 400,000 and their families. In fact that situation would affect at least one million people.

It all was entirely unnecessary. In spite of our cold winter—we expect cold winters in Canada—in spite of our seasons, all this was avoidable if the government had carried out the policy which it laid down in the government papers published in 1945 and which it proclaimed during an election since that time.

With the coming of spring there is no doubt the number of unemployed will be reduced and by midsummer it may reach the normal level. But of necessity we must ask ourselves, what preparations are we making for next year? Next winter may be just as hard as this winter has been and it is quite conceivable that there will be just as much and probably more seasonal unemployment next year.

Are we going to drift into another year and again see a million people in Canada affected directly by unemployment when, if we are to believe government speakers, if we are to believe the Minister of Trade and Commerce (Mr. Howe) and the Minister of Finance (Mr. Abbott), these things can be avoided as a direct result of government policy? There is nothing in the budget to indicate that the government proposes to take any measures now to avoid a repetition of the unemployment situation that we saw in the past winter. I think it is quite conceivable that, without interfering with private enterprise to which the government is so closely wedded, the government could undertake the establishment of secondary industries in those areas which are affected every year by seasonal unemployment. It is quite conceivable that the government, without interfering with private enterprise, could establish some such secondary industries which could be kept in operation during those months when there is seasonal unemployment in certain areas, and when private enterprise just cannot meet the need.

Another of the projects forming the policy of the government, and from which the government has departed, is the provision of low cost housing, houses that can be purchased or rented at prices that ordinary working-class people can afford. I have said before during this session that the houses being built today under the National Housing Act, and which range anywhere from a minimum of $8,000 up, do not come within the reach of the ordinary workingman's budget. It is hopeless for a man working for $40 or $50 a week, or in a great many cases for much less, to attempt to pay for an $8,000, $10,000 or $12,000 house during his lifetime. His income does not provide him with enough money to pay economic rent on such a home. Private enterprise has not entered this field. It is not profitable for private enterprise to build houses today at such prices as working-class people can afford to buy or to rent.

Great Britain has been experimenting during the post-war years with prefabricated houses. They now have no fewer than 14 different types all of which are reported to give good satisfaction to those living in them. They are experimenting with the different types in order to find which will be the most durable, which are the most comfortable, which require fewer man-hours in the factory and on the building site. In that way they are seeking to evolve the best possible type of house that can be constructed to meet the needs of the British people. There is no indication that our Liberal government is giving any leadership whatever in that field. Here is a field that has been vacated by private enterprise. No matter how considerate the government may be of private enterprise there is no conflict with it on the part of the government by giving some leadership and assistance in the promotion of housing projects to meet that need.

I want to call attention again to the question of immigration. When the government announced that it was establishing a new Department of Citizenship and Immigration the country expected to hear from the government that it had adopted some policy of bringing immigrants to this country. A great many people in Canada were particularly interested in bringing people of British stock to this country. That involves two or three things. In the first place we take it for granted there is no point in bringing people to Canada unless the government is prepared to stand by its policy adopted in the post-war years of maintaining full employment. There is no point in bringing immigrants to Canada if they are simply coming here to displace Canadians in their jobs. Before we adopt any such policy of bringing immigrants to Canada the first essential is that the government must have an established policy for maintaining full employment not only for Canadians but for those we bring into the country.

In the second place, if we are going to bring immigrants to Canada in any considerable numbers we must make some provision whereby these people can be housed. Again there is no point in bringing immigrants to Canada if they are to push Canadians out of the rooms, apartments and garages in which they are still living. If we are going to bring immigrants to Canada we must first be sure that we have a housing policy which is a going concern, and that housing accommodation will be available for the people who come to our shores. One measure that was expected of the government when the new department was created was that some means would be found to overcome the difficulty which British immigrants have concerning the amount of money they can bring to this country. England and the other sterling countries have found it necessary to limit drastically the amount of funds that may be taken out of their countries by emigrants. It was hoped that the government would be able to find ways and means whereby that difficulty could be overcome, possibly by the advance of credits against money held to the accounts of these people in their countries of origin, or by some other means. One thing is certain; many thousands of people in this country expected the government to set to work on that problem and at least seek a solution. There is nothing whatever in anything the government has brought down this session, in legislation, in the speech from the throne or in the budget, to indicate that the government is grappling with the problem or what they are doing to solve it.

[Mr. Noseworthy.]

In conclusion, Mr. Speaker, I want to raise two points with respect to our present taxation structure. Last year we had some tax revision which gave certain companies further exemption from taxation. I wrote the Minister of National Revenue (Mr. McCann) a letter posing this question: What tax will a man, with a wife and no children and receiving a salary of $5,000, pay this year? The answer was that this man's tax would amount to $510. My second question was: what tax will a man with a wife and no children, who is in receipt of an income of $5,000 from dividends, be required to pay? The answer was:

> If the same person were in receipt of similar income from dividends received entirely from taxable Canadian corporations his tax would amount to $114.

In other words the first man pays a tax of $510; the second man, in receipt of the same income coming entirely from taxable Canadian corporations, pays only $114. To me that does not seem right. I may be prejudiced; I do not get my income from dividends, but a great many people in this country are asking why a man on salary should be required to pay $510 while the man whose income is obtained from dividends should get off with $114.

I posed another question. In the tax legislation last year there was what is called a capital cost depreciation allowance. Equipment costing less than $50 is put in class 12; and I find that doctors, dentists and other professional men having equipment costing less than $50 may take 100 per cent depreciation. I asked whether a tradesman, a carpenter or plumber, who had equipment in the form of workmen's tools costing less than $50, could also take 100 per cent depreciation when making up his income tax return. The answer I received was:

> . . . it would all depend upon the manner in which the tradesmen received their income. If they were in receipt of salary or wages no deduction would be allowed therefrom for the cost of any equipment. On the other hand, if they were in business—

Like a dentist or a doctor.

> —they would be entitled to claim the capital cost allowance provided under the Income Tax Act.

I pose this question to the house: just where is the fairness in permitting a man in business for himself to claim 100 per cent depreciation on equipment used in his trade or business, while the man working for a salary or wages is not permitted to claim any depreciation at all on what may be identical equipment? Those are two features of our present tax structure that seem unfair, and I submit them to the minister or his assistant for an explanation.

Mr. G. F. Higgins (St. John's East): Mr. Speaker, during the course of the panegyric

he delivered yesterday, the hon. member for Churchill (Mr. Weaver) thanked God for the billion dollar mentality of the ministers opposite and remarked how glad he was that they were not penny wise and pound foolish, like the opposition. It is to that particular phrase, "penny wise and pound foolish", that I want to direct attention in connection with one particular phase of the operation of Trans-Canada Air Lines.

I believe all hon. members are proud of the way Trans-Canada Air Lines are operated. At times there may be some little disagreement as to certain engine functions, but as far as the safety of the aircraft is concerned, or the pilots and crew, there is never any question as to their reliability in every way. Trans-Canada has established a high reputation among the air lines of the world; of that there can be no doubt. Also there can be no doubt of the value of the tourist traffic to Canada; and instinctively associated with the tourist traffic is the word "American" because I believe it is the Americans we are chiefly interested in bringing to Canada. What is happening in the operation of the passenger planes of Trans-Canada Air Lines? Whether it is happening all over Canada I do not know, but certainly it is the case in the east. Any time there are spare seats, any time the plane is not filled with passengers, the empty seats of that passenger plane are used for the transportation of express.

I ask you to consider this matter of the planes that Trans-Canada are flying, with their highly trained and competent crews, on this air line of which we are so proud. When these planes are not completely filled with passengers, express packages are put on the seats not being used by passengers. They are not put in the luggage compartment. In some of these planes have been such articles as bird cages, milk churns and various types of boxes that might have contained anything. The captain of one of these planes is quite upset about the matter, and I have reason to believe he is not alone in that. I have been informed by him that at one time during a flight that was rather bumpy, at a time when there were a number of women passengers on the plane, some of these boxes that were piled on the seats contained flowers. I do not know, but I believe that is the case. They looked rather like coffins. One lady who was rather hysterical because of the bumpy trip suddenly started screaming, "Look at the coffins; no wonder we are going to die". The poor captain of the plane had a difficult time.

The reason for mentioning this matter is that I do not think it is fair to Trans-Canada Air Lines' reputation; I do not think it is fair to the personnel of these aircraft that such conditions should be allowed to continue. There is no question about being penny wise and pound foolish when one considers the small amount of money that is being saved by using the passenger space for cargo in that manner. It may well be that the reputation of Trans-Canada may be destroyed. It may be all right for Canadians to travel in that way, but when the great American tourist comes into this country, what explanation is going to be given to him if he is put in a passenger plane and luggage is piled on top of him? It is a question that may well be directed to those men with the billion dollar mentality. It certainly puts the crews in a difficult position. They do not like it, but they are told they have to do it. I say, Mr. Speaker, that is an extremely unfair position in which to put these highly trained personnel.

While on air matters, I should like to mention that at the moment the Gander field is restricted to the use of Boeings. These Boeings are large aircraft. As you know, practically all the major United States air lines have converted to Boeings, and it means that during the period of the restriction, whether it be three or four weeks, these air lines are practically unable to carry passengers through Gander. Gander has the highest landing fee of any airport in the world. A return I received last fall indicated that, so I presume the same situation still exists. At all events on planes up to 110,000 pounds the landing fee is $150, and it is $15 for each additional 10,000 pounds over and above that figure. When one recalls that every day the gulls are not walking on the fog some 1,400 passengers travel through Gander, the amount of revenue lost can easily be realized.

Returning to this question of being penny wise and pound foolish, I may say that revenue is being lost because the runways are not put in a condition to receive heavy traffic. I do not expect that to be done in a day, but it should certainly be remedied at the earliest possible moment. We must remember that the military planes of this day are rather heavy, as well as the commercial planes. Unless the runways at Gander are put in shape, that airport will not be able to handle any heavy military traffic. I understand that a survey has recently been made, but I do not definitely know the result of it. I am told that coating the runways would be sufficient to keep out the water; whether that is so, I do not know. We must remember that the Gander airport was built before these heavy planes that are now being used were thought of. This airport will have to be modernized.

There is one other point I should like to mention before I leave this subject. While returning home during the Easter recess I thought it was high time some form of patrol was set up, similar if you will to the present type of patrol on the ground that we know as the traffic patrol. At the major airports today large numbers of transport planes are attempting landings at the same time, and in addition a large number of private planes are flying around. These private planes are by no means fitted to obey the regulations which they are supposed to know. They are not all fitted with radio and the other apparatus that will enable them to land in all weather. I submit, Mr. Speaker, that an expenditure on that type of thing would be justified. Something in the nature of fast patrol planes should be available at the major airports of this country, because we have to remember that no matter how skilful the pilots are, no matter how fine our planes are, one joy-rider in a private plane can wreck the best pilot in the finest transport in the world.

When I suggest that to you, all we have to remember is the accident that happened last November at Washington when a large DC-4 was coming in for a landing, having been given permission by the tower. This plane had its flaps down and was levelling off, when a Bolivian pilot in a war surplus machine cut the plane in two. As a result fifty-five people died. Now, Mr. Speaker, that accident might easily have happened at Dorval airport outside Montreal instead of at Washington. I submit that it might be as well if we in Canada took time by the forelock, and set up something in the nature of a traffic patrol over our airports. It may be necessary also to restrict certain major airports to the use of transport planes. I do believe that something will have to be done, and done quite soon. It is not so many years ago when there were no traffic policemen on the road, and not so many years ago when we did not have to bother driving motorcars. It is necessary now to have traffic policemen to take care of the joy-riders.

I am only dealing with one or two subjects tonight, but I should like to deal with a problem arising out of the recent setting of bombs in planes. If possible I believe some form of X-ray machine should be set up to examine the baggage going into the plane. I know the air lines are not particularly anxious to adopt anything that would slow down their service, but after all we have to remember the safety of the general public. Even if such a possibility could not be worked out, the mere fact that it was being tried, the mere fact that the public did not know that it had not been worked out, would I believe be a great deterrent and might discourage would-be murderers of that type.

There is one other matter with which I want to deal. I am going underground this time, Mr. Speaker. Some two or three days ago I asked the Minister of Trade and Commerce (Mr. Howe) a question with respect to the sale of 300,000 tons of Bell island ore. I am afraid that I got very little satisfaction from the reply. The situation is this. On Bell island there is a community with 2,000 men employed in the work of the iron mines. At the present time only 1,000 of these men are working, which means that 1,000 men are unemployed. There is a very serious situation on the island as a result of their not being able to sell iron ore.

On the 17th of March past, as good a day as any, I suppose, for tall stories, the Premier of Newfoundland announced that a sale of 300,000 tons of iron ore had been arranged. Why I am particularly interested in this matter is that the island is right in my own constituency, and there are a couple of thousand men who are continually writing me letters and asking me questions about it. Therefore at Eastertime rumour made the rounds and credit was given to the Minister of Trade and Commerce for this order. He was supposed to be the person who made the arrangements in connection with this ore. I am unable to get any answer from the Minister of Trade and Commerce, except that it is a matter between private interests that normally his department would not be interested in. In the hope that the minister may possibly at his leisure read these remarks I am repeating the question. I hope that he will remember the situation that exists down there and make a statement one way or the other, either that this order is going to be given or that he has no knowledge of it whatsoever, or at least put the minds of these people at rest, because what is happening down there now is that a number of young men are leaving Bell island and are trying to get work on the mainland. If a definite assurance were given that this order was going to be placed, that trouble would be all over. For that reason, Mr. Speaker, I would plead with the minister, if he has the opportunity of reading my few remarks tomorrow, to give thought to the fact and do as the Minister of Fisheries (Mr. Mayhew) did the other day. He gave us a very reassuring statement.

Before the Easter recess we were told by the Minister of Fisheries that if we did not talk so much about fish we might get more help. Perhaps we were talking too much, but at least during this present week he gave us a most reassuring statement. I am afraid

I have adopted the same tactics in addressing the Minister of Trade and Commerce on this matter in the hope that he will give us the same help that the Minister of Fisheries gave with respect to the sale of salt codfish.

Mr. J. H. Dickey (Halifax): Mr. Speaker, in introducing his budget, and in placing before the house the resolutions which we are now discussing, the Minister of Finance (Mr. Abbott) gave a very detailed and generally encouraging review of the national economy.

I am very glad to say, Mr. Speaker, I believe there are signs that the maritime provinces will in the next few years participate in this national prosperity to a degree which it has not always been our privilege to share.

In taking part in this debate this evening it might not be inappropriate for me to make a few remarks on the present economic condition of the maritime provinces, and of Nova Scotia particularly, and the outlook for the immediate future. Of necessity, Mr. Speaker, these remarks will be incomplete, and will be based only on the information which it has been possible for me to gather.

We in the maritime provinces, and in Nova Scotia, can look back over the last ten years or so as a period of pretty solid progress in our economic life. This progress and improvement in our economy has been marked as well by a quite striking change in attitude. There is a feeling of confidence and optimism in the people of the maritime provinces today that I do not think has been found in those provinces in a good many years. The existence of that feeling of confidence and optimism is a very promising sign for the future.

It is true, Mr. Speaker, that we still have to cope with the effects of certain historic disabilities which have in the past seriously retarded our economic development. It is also true that at the present time some of our basic industries are being affected by the dislocation of world trade and currency problems in a very distressing manner. However, in spite of this, the present situation is quite favourable and the outlook for the future can give us cause for some considerable optimism.

We in the maritimes, Mr. Speaker, are quite satisfied that our provinces by the sea are the pleasantest places in which to live, not only in this country but in any country of the world. I say that without any disparagement of the beauties and the advantages of many other parts of this country. But we have not been satisfied in the past that our young people have had opportunities for economic advancement in these maritime provinces equal to the opportunities enjoyed by young people in other parts of Canada and in the United States. The result of this economic pressure has been a progressive and a very considerable migration of the young people of the maritime provinces to the west and to the United States.

The other day I was struck by the remarks of the hon. member for Danforth (Mr. Harris), who spoke of the very large number of Canadians and descendants of Canadians in the United States. I am sorry to say that the great majority of these ex-Canadians and descendants of former Canadians have sprung from maritime stock. The hon. member for Danforth is quite satisfied that the national policy of tariffs and protection has been a good thing for Canada. From some points of view he is probably right, but I should like to point out to him that the national policy, which he considers to have been a success, was one of the great factors which caused that migration from and depopulation of the maritime provinces, which he now deplores.

In the period from 1871 to 1941 the population of the maritime provinces increased very slowly. The whole area did not participate in the tremendous expansion of the Canadian population which took place during those years. In that period the total population of Canada increased 212 per cent while the population of the maritime area increased only a mere 47·3 per cent. It was unavoidable that this area could not enjoy the economic stimulus of the great increase in population. The maritime area which, prior to confederation, had been the most economically sound and most prosperous of the British colonies of North America, suffered very severely in an economic way.

In each decade from 1871 to 1931 the maritimes failed by a very large margin to hold their natural increase in population. But in the decade from 1931 to 1941, while the natural increase was still not held, yet there was a change in trend and there was quite a marked increase in the rate of increase in population of the three maritime provinces. This trend has been continued, and in the decade from 1941 to 1951 it is expected that the maritime provinces, Nova Scotia particularly, will have had the greatest increase in population of any decade since 1867. This trend, I submit, is not only a symptom of better economic health in the maritime provinces, but it does provide some raw material for continuing development in the future.

The economy of the maritimes has traditionally been based on the primary industries of farming, fishing and lumbering. A very large proportion of the total production of

the three provinces has been from the products of the farm, the sea and the timber woods. I should like in this short summary to deal first, as briefly as possible, with the present situation in connection with these three basic industries.

Farming in Nova Scotia has always been mixed farming, with in some localities important emphasis on dairy farming and on fruit growing. The gross value of farm production in Nova Scotia has more than doubled over the last ten or twelve years. At the same time our farmers' costs have increased. In spite of this, the last ten years have been years of very considerable prosperity for our farmers. The production of poultry, eggs, meat, dairy products, hay and other mixed farming produce has been increased materially.

One very important factor in this farm prosperity has been the federal government's freight assistance policy in connection with the movement of western feed grains to eastern Canada. This essential policy has kept production costs for our farmers down to a level which enabled them to produce economically, and has prevented them in the last few years from being completely put out of business, in the poultry and meat-raising sections.

Some of the most fertile land in the maritime provinces is the dikelands or marshlands bordering the bay of Fundy and Minas basin. These are the storied meadows of Grand Pré, the home of Evangeline, and other similar areas which comprise in all over 45,000 acres of extremely fertile and easily tilled land. These lands were very largely diked and reclaimed from the sea many years ago by the earlier settlers and were farmed for many years with profit. However, during the years of depression and low farm prices it was impossible for these fields to be maintained, and in many instances valuable land went back to the sea.

It was recognized that if any real rehabilitation of farming and agricultural life in the maritime provinces was to be achieved, these lands would have to be recovered. I am glad to say that for some years a policy has been in operation to achieve this end. A beginning was made in 1944 with a program sponsored by the federal government, the provincial government and by the owners of the land. This policy was continued for several years and was very successful. However, it was recognized that such a policy was not going to be adequate to achieve the ends desired within a reasonable length of time.

For that reason this parliament adopted the Maritime Marshland Rehabilitation Act of 1948. Under that act the federal government assumed the responsibility for the construction of dikes, aboiteaux and breakwaters in order to reclaim those lands from the sea. The provincial government and the owners have retained the responsibility for draining and preparing this land for use, and for bringing into operation a proper method of cultivation. A substantial start has already been made on a program which is expected to last for at least five years. An engineering and administrative organization has been set up in Amherst, and the expectation is that construction work to a value of about one million dollars will be carried out this summer.

This program is a good example of constructive and beneficial federal aid to agriculture in the maritime provinces, and I wish to express the satisfaction which we in the maritimes feel in the action of the federal government in co-operating with the provinces to the end that these very important marshlands should be brought again into proper cultivation.

The apple industry is a trouble spot in our agricultural picture. In just a few weeks now the great orchards of the Annapolis valley will be in full bloom, and the people of that valley will welcome visitors from far and near to celebrate with them their apple blossom festival. They will celebrate that festival in spite of the fact that war-born difficulties are still causing uncertainty and great concern for the future of the fruit growers in the Annapolis valley.

I am glad to say that a gradual improvement in the situation is being achieved, largely through the co-operative efforts of the federal government and the provincial government in assisting fruit growers to help themselves.

One important aspect of the activities being undertaken under federal and provincial auspices is the elimination of a large number of varieties which found a ready market in Great Britain before the war, but which cannot be marketed at the present time, and for which it is not expected any future market will be available. The federal government is making substantial contributions toward this process of eliminating unprofitable varieties.

Another means by which the industry is being assisted is through the provision of modern cold storage and packing facilities. Federal assistance to the amount of $200,000 has been made available and has been expended, in co-operation with the province, on the construction of eight cold storage plants and warehouses for the use of the apple industry. It is heartening to see that

this co-operation is having good results already. The rehabilitation of the industry will be a gradual process and may take some years, but the good effects are being felt already. In this connection I should like to quote from the Annapolis Valley *Post Road*, published at Kentville, Nova Scotia, the issue of March, 1950, as follows:

> Kentville, March 15—Cold storage stocks of Nova Scotia apples have been in steadily rising demand since early in February and during the past week or two the plants have been hard pressed to keep up with the rush of orders, R. K. Bowlby told a general meeting of the apple board early this month. The sales manager stated that this increasing demand included requests for varieties which had been refused earlier in the season when heavy supplies of local apples were available to all markets from common storage. He stressed the important fact that the heavy and increasing demand prevailed although f.o.b. prices for Nova Scotia apples had been maintained at a higher level than those for western and central Canadian apples.
>
> Mr. Bowlby stated that Nova Scotia McIntosh and Delicious had been selling respectively at f.o.b. prices 55 cents and 65 cents a bushel higher than British Columbia supplies of these varieties in eastern Canadian markets. "Furthermore," he said, "we could have sold a lot more apples in Number One and fancy grades of McIntosh and Delicious if these had been available."

The completion of this policy of the elimination of unprofitable varieties will ensure that in future years there will be no shortage of marketable varieties in the No. 1 and fancy grades to meet this extraordinary demand.

I should like to deal briefly with the great Atlantic fishing industry. I am glad to say that the prospects for the continued prosperity and growth of our Atlantic fisheries are as bright as they are for any other branch of our economy. Federal and provincial assistance to the industry have had no small influence in bringing about the present healthy condition and its outlook for the future.

The production of Atlantic sea foods in Nova Scotia reached an all-time peak in 1946 when the landed value was over $20,500,000. Since that time we have had to face drastically and rapidly changing market conditions as well as a decrease in the available supplies of certain important species. In spite of these facts the dollar value of production for 1949 was only 15 per cent below the peak of 1946.

We have had difficulty in retaining our traditional markets for dried and salted fish in the West Indies and Europe owing to exchange difficulties, but as those markets became unavailable to us new markets for fresh and frozen fish were developed in central Canada and central United States. The result was that a high volume of production was maintained. These new markets are capable of greater exploitation and expansion and as the currency problems of our old customers are solved the previous demand for salted and dried fish should return with the result that our markets should be considerably greater in the next few years.

There has been a realization in the industry that a steady demand can be built up only by providing reliable and constant supplies. The only means of ensuring constant supplies is the adoption of modern methods of catching and processing fish. The federal grants for the construction of modern fishing vessels have been of great assistance and the policy of increasing the number of trawlers and draggers to be licensed is setting the stage for further development in the industry.

The federal government is assisting materially in the construction of modern freezing and cold storage facilities. The important fisheries carried on from the port of Halifax and Lockeport are concentrated around freezing and cold storage facilities which have been either built or contributed to by the federal government. The federal government has constructed a modern pier at Louisburg, and this along with modern freezing and packing facilities to be constructed will provide a centre for important development in fishing at this port. A similar development is planned at Petite de Grat, also on Cape Breton island. The existence of these facilities and the demand that a steady supply of fish will create will be of benefit to the shore fishermen by providing them with a market for fresh fish which they have not always enjoyed in the past.

Quick transportation to market and proper methods of merchandising are essential to the development of our markets. The federal Department of Fisheries has been giving careful consideration to questions of this kind. They have carried out extensive and successful experiments in the design and operation of new refrigeration cars and the question of better and more appropriate equipment for retail outlets is receiving attention. The fate of the fishing industry in the last analysis depends upon the condition of the product when it reaches the ultimate consumer and the Department of Fisheries is to be complimented on the manner in which it is attacking the problems of the fishing industry.

Lumbering is one of our ancient and basic industries. It is of twofold importance. It is important, first, as an industry and, second, because it provides a cash crop for many of our farmers on the pulpwood and pit prop side of the industry. Peak production was achieved during the war but the loss or restriction of the British market for softwood lumber has created great difficulties.

The industry is tackling the difficult task of meeting the different requirements of the United States market, and some progress is being made in that regard. Well sustained demand in the home market because of the extent of construction work has been of great assistance. I should like to bring to the attention of the government the necessity of the employment of native woods in construction wherever possible. Particularly at the present time I do not consider that changes should be made to, for instance, metal windows and sashes in the eastern part of Canada. The lumber industry requires this outlet for its production at the present time, and experiments with new types of windows have not worked out successfully in the Atlantic climate.

I should say something of the mining industry and the production of minerals in the province. I do not propose to do so, however, except to point out that the production of coal in our Nova Scotia mines gives us one of the very important raw materials on which a great part of the industrial development of the province depends. The six million odd tons of coal produced by the maritime mines is the basis of the very considerable industrial developments in Sydney, Pictou county and other parts of the maritimes.

In the industrial field there has been a satisfactory expansion of activity over a wide field. I am glad to say that a considerable measure of diversification is becoming apparent. I should like to review briefly some of the more important and significant developments which have taken place in recent years.

The Dominion Steel and Coal Corporation, whose manifold operations are centred on Cape Breton island, is one of the main producers in Canada of coal and basic steel. It may interest hon. members to know that this company is the largest single employer of labour in the whole dominion with the exception only of the two great railway companies. The steel industry of the Sydney area is one of the most important concentrations of heavy industry in Canada, and I am glad to say that there are prospects of great expansion.

Speaking at the annual meeting of the Sydney board of trade on April 12 Mr. L. A. Forsyth, K.C., who I may say is the new president of the company, a native Nova Scotian and the first Nova Scotian to head this great industrial enterprise, is reported in the Halifax *Chronicle-Herald* of the 13th of April as follows:

"The coal and steel industry of this province stands upon the threshold of a new era of prosperity and of increasing importance as a national economic unit," L. A. Forsyth, K.C., Nova Scotia-born president of the vast Dominion Steel and Coal Corporation, told the annual meeting of Sydney board of trade tonight.

This company, Mr. Speaker, has undertaken a very important expansion program. They have just completed the construction of a $5 million coking plant which gives the corporation the most modern coking facilities of any steel company in the world. With the assistance of the dominion government the company has embarked on a $15 million program of modernization of its collieries all over the maritime provinces. This program calls for a 50-50 sharing of expenditure between the federal government and the corporation in the purchase and installation of modern cutting and loading machinery which will thoroughly mechanize the collieries of the company. This same program is being made available to the independent operators of the maritimes, and if it is brought to a successful conclusion the maritime mines will all be thoroughly mechanized and will be in a position to produce coal in much larger quantities and at a much more economic cost.

The discovery and development of very important deposits of iron ore in Quebec and Labrador has caused considerable speculation over the possible expansion of heavy industry in the maritime area. That is not a field in which I am in any sense an expert or upon which I can express an opinion, but it seems to me it is logical that the coal and limestone resources of the maritime provinces provide the nearest and most convenient location for the construction of facilities to process the products of the new iron mines. I understand that some informed opinion is to the effect that financial and trade barriers will be the only obstacles that will stand in the way of this development. If that is so, Mr. Speaker, I urge the government to give early and earnest attention to these questions so that if financial or trade barriers are going to be any deterrent to a logical development of this kind those problems can be met well in advance in order that the resources of the maritimes can be utilized in this way.

Other recent developments of an industrial nature in Nova Scotia have been more modest than the plans of the great Dominion Steel and Coal Corporation but they may not necessarily be less important in the long run. The list of developments underlines the extent of the diversification which has taken place. I shall not be able to go into this matter fully, but I should like to mention a few of the important developments which are under way. In April, 1949, just

a year ago, the Fairey Aviation Company of Canada Limited established its plant at Eastern Passage in Halifax county. This company is a subsidiary of the Fairey Aviation Corporation of Great Britain, and is undertaking the repair and modification of aircraft of all kinds, both military and civilian. The company is already operating at a very satisfactory rate. It is hoped that as time goes on they will be able—and this is their plan—to develop the design and construction of aircraft, particularly aircraft for use by the air arm of our fleet, as that is the branch of military aviation in which the parent company in England is engaged.

In addition to its aircraft interests the company plans to manufacture a line of plywood dinghies which have a very fine reputation in England for their sailing qualities. Already this company employs almost three hundred people, with a weekly payroll of about $12,000; and it is using local labour, which it has found to be excellent. In one year of operation the company has expended in the Halifax area for wages and supplies locally acquired over $600,000. It is using modern premises built during wartime for the Clark-Ruse Aviation Company. It is a waterfront site alongside the Eastern Passage air base.

The establishment of this company in a war-constructed plant reminds us that to a large extent post-war industrial expansion in this country has depended upon the availability of plants built during the war either by the government or with government assistance. I recall to the government that wartime necessities were considered to make it imperative that a great proportion of this construction be in the central provinces. Since the war new industries have been drawn to the central provinces because of the existence of those facilities and the labour force which had been built up around them. The few plants built in other provinces, such as Nova Scotia, have been used; but their number and type were very limited. During the war requests were made for the greatest possible decentralization of this development, but that was not found feasible. The cost of these war plants was borne by all the taxpayers of Canada, but the post-war benefits have not been equally enjoyed. I submit that this consideration provides a valid reason for the government giving very careful attention to the provision of all possible assistance to industrial expansion in areas which could not be looked after during the war.

One field in which this is possible and necessary, Mr. Speaker, is that of shipbuilding. Halifax Shipyards Limited and the other east coast yards are located in ice-free, year-round ports. These are ports which are essential to this country in wartime, and it is equally essential that they have adequate facilities for the construction and repair of all types of ships. These facilities should not be permitted to deteriorate, and their skilled tradesmen should not be lost, through lack of use during peacetime. Available work for the shipyards should be allotted with these considerations in view, and these companies should be placed in a position to maintain their equipment and personnel in order to make their contribution to the general economic life of the area. Halifax Shipyards Limited is now completing three large army transports being built for Argentina. This contract was obtained by open bidding in the world market just after the war. In the interim conditions have changed, so that now it is not possible for a Canadian shipyard to profitably compete for orders of this kind in the world market, and they cannot be expected to do so as long as present conditions continue. A start will soon be made on an $8 million anti-submarine vessel for the Royal Canadian Navy, and we are hoping that Halifax shipyards may have an early opportunity to bid on the new highway ferry which will be built for service between Yarmouth and the eastern United States. I submit to the government that further plans for construction and for the repair of government vessels should be brought forward in order to maintain the essential activities of these shipyards.

A very interesting development in Halifax has been the establishment of the factory of Cossor (Canada) Limited. This company is an associate of the famous A. C. Cossor group of companies in England, who are leaders in the field of electronics. The company proposes to undertake the design and production of electronic equipment of all kinds.

Mr. Smith (Calgary West): Did they not chase the president out of that company?

Mr. Dickey: Not to my knowledge. This company is also carrying on research and development in the field of electronics. Already they have produced complex electronic training devices for the Department of National Defence, and are doing modifications, reconditioning and maintenance of marine radar, airborne radar and all other types of electronic equipment. This company manufactured the prototype of a television receiver, the first to be built in Canada, and it also has the prototype of a high quality radio-phonograph.

The importance of an industry of this kind to a port like Halifax cannot be overestimated. Shipping of all kinds is installing

and using radar and other electronic equipment to an ever-increasing extent. Modern fishing vessels are employing electronic equipment to enable them to find and catch more fish; and the existence of this company in Halifax will enable this process to be carried on to an even greater degree.

I had intended to tell the house of a number of very important developments in smaller industries in the province, but I see my time is nearly up, so I shall content myself by saying that some very important developments are taking place along this line. All these developments add up to this, that a very considerable expansion has taken place in the industrial capacity of the province of Nova Scotia. Current industrial production is almost exactly fifty per cent of the total production of the province. That is very different to the situation that existed only a few years ago, when a very large proportion of our total production came from the primary and basic industries.

At the outset I pointed out that the economic probabilities for the maritimes in general and for Nova Scotia in particular were favourable, in spite of certain difficulties and dislocations which were affecting our basic industries. One important activity of the federal government which has, in my opinion, a very beneficial effect upon the maritime economy, is the co-operation of the federal government with other like-minded nations in the progressive removal of trade barriers throughout the world. The economy of the maritime provinces always develops most favourably under conditions of freer trade, and I urge the government not only to meet other governments half way, but to meet them more than half way in an effort to remove the shackling effects of tariffs and other obstacles to world trade.

I should like to compliment the government on the assistance it has already given to agriculture, fishing, mining and industrial development in the maritime provinces, and compliment the provincial governments as well on the co-operative efforts which they are carrying on with the federal government. These activities must be continued, and I can assure you, Mr. Speaker, that the Nova Scotia and maritime members will continue to press for additional activity in this field, in the knowledge that everything that is done to expand and improve the economy of the maritime provinces cannot fail but be of benefit to the economy of this country as a whole.

Mr. A. L. Smith (Calgary West): Mr. Speaker, I cannot let this opportunity pass without mentioning to you what a thrill it is to me to be permitted to speak at this time.

[Mr. Dickey.]

By that clock on the wall, it is now six minutes to eleven. I want to assure you, sir, that I appreciate what a wonderful thing it is for this country, that on a Tuesday night at this hour we should have every seat in the house occupied, some of them by two members, one sitting on the other's knee; all the ministerial benches filled—they need more room to expand of course—but they are all filled and the galleries are crowded. It is an inspiration to any young fellow like myself, and I therefore intend to fix up the whole country from one end to the other.

I cannot let what has just been said by the junior member for Halifax (Mr. Dickey) pass. He began quite well with the country of Evangeline. I listened, and I thought in a moment—I think Longfellow wrote that poem,—I should hear the wafting of those gentle noises from the murmuring pines and the hemlock that sit like the druids of old, and all that sort of thing. I thought we had a new druid—they were wise men—who would tell us something of great interest to the country. Before he finished I was through every back yard within fifty miles of the city of Halifax, and that is a long way from the murmuring pines and hemlocks. In fact, so far as the hon. member is concerned, they ended up in those marshes which the sea has claimed from his favourite, and my favourite, province of Nova Scotia.

The hon. member did say one thing that interested me a great deal, and in this I think I can help him. He talked about fish, and the difficulty experienced in obtaining markets for their fish. I want to assure him of this, that there is a wonderful market on his doorstep, and that is the parliamentary restaurant in which there has not been a decent bit of fish since this session began. If they would just get some fish up there, all the waves emanating from that and going across the country would make everybody fish conscious. We are fish conscious now, but for the opposite reason.

Mr. MacInnis: It sounds like fishing to me.

Mr. Smith (Calgary West): I thought I heard the hon. member from the other coast saying it was fishing. He should be an excellent judge, because I have tried the fish from that part of the country, too. I know the salmon they have out there, and I love it in cans but not otherwise.

I should like to turn to some remarks—

Mr. Knowles: Try some Winnipeg goldeye.

Mr. Smith (Calgary West): I am sorry that I am getting so deaf I miss these opportunities.

I want to turn to a remark made by another speaker, and that is the gentleman from

Churchill (Mr. Weaver), who had me carrying things out in a wheelbarrow. I heard that much of his speech. On the 7th day of January he made a speech in Flin Flon. At that meeting he was asked why, in the House of Commons, he had voted against the allowance of union dues paid by labouring people in connection with their income tax. He made what I thought was a clever and yet naïve reply. He said, "You know, those cabinet ministers down there are human, and if I had not voted with them in this, I would not be able to get anything for the constituency of Churchill". That is politics as it should be played; I think that is smart. Unfortunately in Flin Flon they also have telegraph instruments and newspapers.

I intend tonight, and I am quite safe in saying tonight, to discuss two subjects which you, sir, may regard as of minor importance. May I make this promise, that I will not tell you about anything in the city of Calgary or in the province of Alberta, but will endeavour to confine my remarks to these two subjects which I think are of national importance. The first is the treatment of veterans of the old North West Mounted Police, today the Royal Canadian Mounted Police, and the second is an effort to have the government remove the necessity of obtaining a fiat when a citizen, who is injured by the government, its agencies or companies, wishes to seek redress.

With that, sir, it being eleven o'clock, I move the adjournment of the debate.

Motion agreed to and debate adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow we shall continue this debate.

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

HOUSE OF COMMONS

Wednesday, April 26, 1950

The house met at three o'clock.

COMMITTEES OF THE HOUSE

RAILWAYS AND SHIPPING—CONCURRENCE IN FOURTH REPORT

Mr. Hughes Cleaver (Halton) presented the fourth report of the special committee on railways and shipping, owned, operated and controlled by the government, and moved that the report be concurred in.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, before this report is concurred in, there is just a word or two I should like to say. I confess that part of what I want to say has been said already in the committee, but I was not a member of that committee. Coming as I do from the city of Winnipeg I feel that the protest which I have in mind should be repeated on the floor of this house.

I refer to the way in which a number of employees are being laid off at Winnipeg by the Trans-Canada Air Lines. All members of this house will recall the considerable feeling there was—

Some hon. Members: Order.

Mr. Cleaver: On a point of order, I think perhaps the hon. member did not hear the report read. It is simply a routine report in regard to printing. The final report of the committee will be presented later.

Mr. Knowles: That is quite correct; I did not hear what was read by the assistant clerk. I shall reserve my remarks until the final report is presented.

Motion agreed to.

PUBLIC ACCOUNTS—CONCURRENCE IN FIRST REPORT

Mr. L. Philippe Picard (Bellechasse) presented the first report of the standing committee on public accounts, and moved that the report be concurred in.

Motion agreed to.

PUBLIC ACCOUNTS—CHANGE IN PERSONNEL

Mr. W. G. Weir (Portage-Neepawa) moved:

That the name of Mr. Macdonnell (Greenwood) be substituted for that of Mr. Fulton on the standing committee on public accounts.

Motion agreed to.

DAIRY INDUSTRY

ANNOUNCEMENT AS TO SUPPORT PRICES FOR BUTTER AND REQUISITIONING OF CHEDDAR CHEESE

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I was asked yesterday if I was in a position to make a statement as to the government's decision concerning the price of butter. I stated that in all probability I would be able to do so today.

I am also in a position today to make a statement with regard to cheese, which I shall make at the same time.

I wish to announce that from May 1, 1950 to April 30, 1951, the agricultural prices support board will support the butter market by purchasing first grade creamery butter in carlots at a price of 53 cents per pound, basis delivery Saint John, Halifax, Montreal and Toronto, and 52½ cents per pound, basis delivery Vancouver. The purchase program for the coming year will be similar to that of 1949-50.

The quantity of butter held by the government as at noon today is 19,429,929 pounds.

I wish to announce also that the agricultural prices support board's wholesale selling price for butter, effective the 1st of May, 1950, will be 53 cents per pound, delivery in Ontario and Quebec, with appropriate price differentials to other points in Canada.

I wish to announce that the cheddar cheese production in the provinces of Ontario and Quebec, beginning May 1, 1950, will be requisitioned. The requisitioning of cheese was requested by the Ontario cheese producers' association and the dairy farmers of Canada in order to safeguard the filling of the contract to supply cheese to the British ministry of food during 1950. The contract calls for the delivery of up to 85 million pounds.

The government agrees that it is desirable that the maximum quantity of cheese be shipped to the United Kingdom this year, and that the contract be filled. Canada's ability to meet commitments in this regard is important from the standpoint of the future market for Canadian cheese in Britain.

It is also important that the domestic market be well supplied with cheese, and the stocks on hand are considered sufficient for these requirements. Stocks as at the 1st of

April were 34·9 million pounds, or approximately 10 million pounds in excess of one year ago. The government holds 17·4 million pounds, and the trade 17·5 million pounds.

The government's holdings of cheese at present are largely the result of the contract with the United Kingdom not being filled in 1948, and a heavy carry-over of cheese stocks into the 1949 season.

Mr. White (Hastings-Peterborough): I should like to address a question to the Minister of Agriculture arising out of the statement he has just made. When the minister said that, beginning on the 1st of May, cheese will be requisitioned, did he mean that it would be requisitioned until the contract is filled, or that it would be requisitioned for the entire output of 1950, and at what price?

Mr. Gardiner: Cheese will be requisitioned at prices based on the 28 cents which was announced previously as being the price for cheese at Montreal. Requisitioning will continue as long as it is necessary to carry it on in order to secure supplies of cheese, for the British contract, provided there is sufficient produced to secure the supply.

Mr. White (Hastings-Peterborough): Does the minister mean that all cheese will be requisitioned? After all, we produce 200 million pounds.

Mr. Gardiner: Two years ago we did not produce 100 million and we produced a little over 100 last year. We may produce more this year. It is our hope that with the 34·9 million pounds we are now carrying there will be enough produced to supply 85 million pounds to Great Britain, as well as supply our own requirements, but I cannot be sure of that. We will continue to requisition cheese as requested until we have what we consider to be sufficient.

Mr. Charlton: Can the minister tell us how much cheese has already been shipped this year toward the filling of the British contract?

Mr. Gardiner: There has been very little, if any, shipment up to now. As the hon. member knows, the cheese production season begins about the 1st of May, and up until that time there is only a limited amount.

Mr. Cardiff: In view of what it costs to produce a pound of butter, what formula was used by the government in arriving at the price of 53 cents?

Mr. Gardiner: The means by which we arrived at the figure of 53 cents was to consider carefully the records of the handling of butter in Canada over a long period. I may say there have only been four years since 1914 when the price was more than 53 cents. In all other years it has been lower. In the last two years it has been more than that. Therefore we think that 53 cents is a fairly favourable price in the light of price history. There is also the further fact that of necessity, the price in Canada, if we are to be able to carry on, must be somewhat higher than the price in most other areas. The experience we have had recently has been variously interpreted in the press and elsewhere as an effort made to sell butter. We did not make any great effort to sell it, but we did offer it at 50 cents. I think it has been fairly conclusively established that there is not much of a market for butter in the world at 50 cents. All our experiences have indicated that 53 cents is a fairly liberal price for butter in Canada at the present time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

IMMIGRATION

Mr. Fulton:

1. What was the average number of immigrants entering Canada monthly from Europe, including the United Kingdom, for the calendar year 1948?
2. What was the average number of immigrants entering Canada monthly from Europe, including the United Kingdom, for the calendar year 1949?
3. What is the present monthly average for the first three months of 1950?

Mr. Harris (Grey-Bruce):

1. 9,352.
2. 6,966.
3. 4,823.

MOUNTED POLICE—PERSONNEL LEAVING SERVICE WITHIN THREE YEARS

Mr. Diefenbaker:

1. How many recruits have joined the Royal Canadian Mounted Police in each year beginning on the first day of January, 1945, and to date?
2. How many of them finished training?
3. How many of them left the service at the end of (a) one year; (b) two years; (c) three years?

Mr. Garson:

1. During the year 1945 no recruiting took place, but the following recruits were engaged during the years mentioned:

1946-47	439
1947-48	322
1948-49	466
1949-50	313
Total	1,540

Note: Until new construction is completed there is a lack of accommodation, and engagements were temporarily suspended on the 8th of February, 1950.

2. 1412.

3. The following number left the force:

(a) During first year of service	98
(b) During second year of service ..	72
(c) During third year of service	44
(d) During fourth year of service ...	1
Total	215

JAMES SMITH INDIAN RESERVE, SASKATCHEWAN—LANDS LEASED FOR CULTIVATION

Mr. Wright:

1. What lands have been withdrawn from the James Smith Indian reserve on the Saskatchewan river in the province of Saskatchewan for the purposes of leasing for cultivation during the years 1946 to 1949, inclusive?

2. What are the terms of these leases?

3. Will the Indian affairs department make any further leases from this reserve during 1950?

4. If so, what will be the terms under which such leases will be made, and to whom should application be made to obtain such leases?

5. Is there a limit to the amount of land which any one individual may lease?

Mr. Harris (Grey-Bruce):

1. 1,440 acres under lease 1946 to 1949 inclusive, sections 3 and 4 and part of sections 9 and 10, in township 47, range 20, W. 2nd meridian.

2. One-quarter share of crop, plus municipal taxes.

3. Yes, 6,191 acres.

4. Eight-year term; one-quarter share of crop, plus taxes, plus such cash bonus per acre as applicant may offer; lessee to break one-half of total area in 1950 and all arable balance in 1951; to superintendent N. J. McLeod at Duck Lake, Saskatchewan.

5. No restriction is placed on the acreage that may be applied for by or given to any applicant.

INCOME TAX—FARMERS—ONTARIO

Mr. Coyle:

1. How many farmers in Ontario filed income tax returns in each of the years 1947 and 1948?

2. How many of these paid income tax?

3. What was the total amount paid in each of the above years by such farmers?

Mr. McCann:

1, 2 and 3.

For the 1947 taxation year, 10,991 farmers in Ontario filed income tax returns.

For the 1948 taxation year, 7,661 farmers in Ontario reported taxable incomes.

For the 1947 taxation year, the total amount of income tax declared by farmers in Ontario was $1,720,000.

Similar information in respect of the 1948 taxation year is not yet available.

ROYAL COMMISSION ON ARTS, LETTERS AND SCIENCES

Mr. Kirk (Antigonish-Guysborough):

1. How many members are there on the royal commission on arts, letters and sciences?

2. What are their names, present and former addresses?

3. Who is the chairman?

4. By whom are they appointed?

5. When were they appointed?

6. What are their respective salaries, remuneration, and expense allowances?

7. Has a member been appointed to this royal commission representative of any of the following provinces (a) Nova Scotia; (b) New Brunswick; (c) Prince Edward Island; (d) Newfoundland?

8. If not, was consideration given to the appointment of such a representative?

9. Are there any vacancies at present?

Mr. St. Laurent:

1. Five.

2. Right Hon. Vincent Massey, P.C., C.H.; Laurentian building, Ottawa; Batterwood House, near Port Hope, Ontario.

Arthur Surveyer, Esq., B.A.Sc., C.E., D. Engn., LL.D.; Laurentian building, Ottawa; Montreal, P.Q.

Norman A. M. MacKenzie, Esq., C.M.G., K.C., LL.D., Laurentian building, Ottawa, university of British Columbia, Vancouver, B.C.

Most Reverend Georges-Henri Levesque, O.P., D.Sc. Soc.; Laurentian building, Ottawa; Laval university, Quebec, P.Q.

Miss Hilda Neatby, M.A., Ph.D.; Laurentian building, Ottawa; university of Saskatchewan, Saskatoon, Sask.

3. Right Hon. Vincent Massey, P.C., C.H.

4. Governor in council.

5. April 8, 1949.

6. Chairman, $50 per day when engaged on royal commission business; commissioners, $40 per day when engaged on royal commission business. In addition the commissioners receive reasonable travelling and living expenses when absent from their usual place of residence.

7 and 8. Dr. N. A. M. MacKenzie was born in Pugwash, Nova Scotia and was educated at Pictou academy and Dalhousie university. He was later president of the university of New Brunswick at Fredericton, N.B.

9. No.

TRADE WITH THE UNITED STATES

Mr. Isnor:

1. What was the value in dollars, in each of the first three months of 1950, of (a) our imports from the United States; (b) our exports to the United States?

2. Have there been any increases in our export business to the United States during the above period over the corresponding period of 1949?

3. If so, what increases by months?

Questions

Mr. Howe:

1. (a)

January, 1950...	$ 154,473,063	
February, 1950..	143,328,185	
March, 1950.....	161,500,000	(estimated)

1. (b)	Canadian produce	Foreign produce
January, 1950...	$ 130,859,461	$ 2,064,645
February, 1950...	128,837,906	1,505,052
March, 1950.....	154,310,521	2,868,793

2. Yes.

3.	Canadian produce	Foreign produce
January	$ 14,836,198	$ 568,559
February	22,128,782	—24,170
March	31,892,415	1,247,148

KENTVILLE, N.S., DAILY MAIL DELIVERY

Mr. Isnor:

1. Has a daily mail delivery service been inaugurated in the town of Kentville, Nova Scotia?
2. If so, what was the date on which service was brought into effect?
3. How many routes will be laid out?
4. How many additional men will be employed at the Kentville post office because of the new service?
5. Will these new men be appointed through the civil service commission?

Mr. Lapointe:

1. Yes.
2. 17th April, 1950.
3. Five routes.
4. Six letter carriers.
5. Yes.

SALE OF CANADIAN WHEAT TO INDIA

Mr. Argue:

1. How much wheat of the present crop year has been purchased by India?
2. How much wheat did India purchase from Canada in the same period during 1948, 1949 crop year?
3. Did Prime Minister Pandit Nehru during his Canadian visit request a million bushels of seed wheat?
4. If so, was the request denied, and for what reasons?

Mr. Howe:

1. None.
2. 11,315,099 bushels.
3. No.
4. Answered by No. 3.

PRAIRIE FARM ASSISTANCE

Mr. Kirk (Digby-Yarmouth):

1. What was the total of the assistance payments made to the provinces of Manitoba, Saskatchewan and Alberta for the year 1949?
2. What amount to each province?

[Mr. Isnor.]

Mr. Sinclair: I have spoken to the hon. member about the phrasing of this question. The phrase "assistance payments" is rather indefinite. The hon. member has agreed to drop the question and rephrase it.

Mr. Speaker: Question dropped.

DUMPING DUTIES ON MOTOR VEHICLES FROM THE UNITED KINGDOM

Mr. Thatcher:

1. Have any representations been received by the government or any department thereof proposing the application of dumping duties against small English cars?
2. If so, what disposal has been made of such requests?

Mr. McCann:

1. Yes.
2. Matter under consideration.

QUESTION PASSED AS ORDER FOR RETURN

CENTRAL MORTGAGE AND HOUSING—SALE OF PROPERTY IN VILLE ST. LAURENT

Mr. Coldwell:

1. What steps has the government taken to make sure that the agreement between Colonial Corporation and Central Mortgage and Housing Corporation with respect to the property situated at 10820 Laval road, Ville St. Laurent, province of Quebec, will be adhered to?
2. What increases in rents have been permitted by the rental administration of the wartime prices and trade board since the Colonial Corporation became the owner of the property in question?

MOTION FOR PAPERS

TIM BUCK—PASSPORT

Mr. Goode:

For a copy of all correspondence exchanged between the minister and Tim Buck of the communist party of Canada in regard to passport applications, and a copy of the application for passport granted to this individual to allow him to proceed to a certain convention in Hungary.

The Secretary of State for External Affairs (Mr. Pearson) has been most helpful in this matter, and I ask permission to withdraw this motion.

Mr. Speaker: Motion withdrawn.

BUSINESS OF THE HOUSE

SUSPENSION OF STANDING ORDER 28 FOR SITTINGS OF APRIL 27 AND 28

Right Hon. L. S. St. Laurent (Prime Minister) moved:

That the provisions of standing order 28, in relation to Mr. Speaker leaving the chair without question put for the house to go into committee of ways and means, be suspended for the sittings of Thursday, April 27, and Friday, April 28, 1950.

Mr. Drew: Will the Prime Minister explain the purpose of this motion?

Mr. St. Laurent: It is our feeling that members of the house would not wish to have any of the resolutions appended to the budget discussed in committee until after the conclusion of the debate on the budget. Under standing order 28, if we proceed tomorrow with this matter Mr. Speaker would leave the chair without question put and we would be face to face with some of these resolutions before the completion of the general debate on the budget. We felt that that would not be the wish of the house, and in order to continue the debate on the budget it will be necessary to suspend that rule and not ask Mr. Speaker to leave the chair without question put.

Motion agreed to.

VETERANS LAND ACT

REGULATIONS AFFECTING FORMER MEMBERS OF BRITISH ARMED FORCES

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to address a question to the Minister of Veterans Affairs. Can the minister tell the house whether there are any new regulations under the Veterans Land Act affecting men who served in the British armed forces? New regulations have been made effective as to their residence in Canada. Can the minister tell me what they are?

Hon. Milton F. Gregg (Minister of Veterans Affairs): The regulations affecting the Veterans Land Act are being amended from time to time. I am not able to say offhand what new amendments have been made recently, but I shall be glad to answer any specific question put by the hon. member.

SIR BASIL BROOKE

INQUIRY WITH RESPECT TO VISIT OF PRIME MINISTER OF NORTHERN IRELAND

On the orders of the day:

Mr. Daniel McIvor (Fort William): Mr. Speaker, I should like to rise on a question of privilege. I do not think anybody can accuse me of being narrow, because on numerous occasions I have tried to keep fresh the memory of the pioneer missionary of Ireland, St. Patrick. Canada is about to be visited by another great Irishman, Sir Basil Brooke, a man who won the military cross in the first world war, who had three sons in the second world war, two of whom paid the supreme sacrifice, and the other is crippled for life. When suitable accommodation could not be found for the encampment of United States soldiers, Sir Basil Brooke opened up his place in that great county of the north of Ireland, and those soldiers were trained there to help defeat the enemy. In addition, to my knowledge Northern Ireland was the only country in the British commonwealth of nations in which the voluntary system of recruiting had to be abandoned, because otherwise there would have been a shortage of manpower.

The Prime Minister of Northern Ireland is to visit Canada. It may not be much of a reason, but I was born in the same district and my heart is warmed by the kindness of this great soldier and big-hearted Irishman. I would say that Canada would honour itself by honouring Sir Basil Brooke. I am wondering if something will be done.

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, in reply to the hon. member who has raised the question, I may say it is true that the Prime Minister of Northern Ireland is to visit Ottawa. I think he arrives on the 9th of May, and the government will naturally extend to him all the courtesies appropriate to his official position and his personal distinction.

Mr. McIvor: Thank you.

OFFICIAL SECRETS ACT

INQUIRY AS TO AMENDMENTS TO PROVIDE ADDITIONAL SAFEGUARDS

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): About a month ago I asked the Minister of Justice on the orders of the day if it was the intention of the government at this session to introduce a bill to amend the Official Secrets Act. At that time the Minister of Justice indicated that the matter was under consideration and that an announcement would be made later. May I ask the minister if he is now in a position to advise the house whether the government intends to introduce such a bill?

Hon. Stuart S. Garson (Minister of Justice): I am in a position to say only that the matter is still under consideration, but no decision has yet been reached.

INQUIRY FOR RETURN

IRRIGATION—ALBERTA AND SASKATCHEWAN

On the orders of the day:

Mr. H. R. Argue (Assiniboia): In the absence of the Secretary of State (Mr. Bradley) I should like to direct a question to

the Minister of Agriculture. On October 31, 1949, a motion for production of correspondence between the governments of Alberta and Saskatchewan with reference to irrigation was passed in my name. On March 8 last I asked for the production of this report, but so far I have not received it. Six months have gone by since the motion was first passed, and I wonder if it might not be brought down at an early day.

Right Hon. J. G. Gardiner (Minister of Agriculture): I have been hopeful for about a month now that the correspondence would be completed and could be brought down in completed form. It is not quite ready yet, but just as soon as it is, it will be brought down. I can assure the hon. member that the delay does not mean that we are holding back anything.

FISHERIES

RESTRICTED AREA FOR BOMBING RANGE OFF NORTH COAST OF P.E.I.

On the orders of the day:

Mr. W. Chester S. McLure (Queens): Mr. Speaker, my question arises out of letters and telegrams I have received, and I know that members on the other side of the house have also received them.

An hon. Member: Reefer cars.

Mr. McLure: No, not reefer cars. My question concerns a situation affecting the livelihood of a large number of fishermen and their families in the province of Prince Edward Island.

What action has the Minister of Fisheries taken to offset the action of the Department of National Defence in creating a restricted area for a bombing range off the north coast of Prince Edward Island? This restricted area, as reportedly planned, will result in a great loss to all the fishermen on the north shore.

Some hon. Members: Order.

Hon. R. W. Mayhew (Minister of Fisheries): I am sorry that the hon. member's telegrams and communications did not arrive soon enough for him to give me notice of the question. I believe my parliamentary assistant is prepared to answer the question.

Mr. J. W. MacNaught (Parliamentary Assistant to the Minister of Fisheries): In reply to the junior member for Queens, Mr. Speaker, I would say that such protests have been received by the department. Negotiations have been conducted between the Department of National Defence and the Department of Fisheries with a view to selecting a site for a bombing range along the north shore of Prince Edward Island, but no definite decision has yet been made. Before the site is selected, every precaution will be taken to see that the minimum amount of damage will be done to the fishing industry of Prince Edward Island.

Mr. McLure: Mr. Speaker, I believe the fishermen should know before—

Mr. Speaker: Order.

TRADE WITH BRITAIN

QUESTION AS TO RELAXATION OF DUMPING DUTIES ON CERTAIN GOODS

Mr. J. H. Harris (Danforth): May I ask the Minister of Trade and Commerce to give consideration to making a statement to the house about the relaxation of the dumping duties on certain commodities coming from the United Kingdom? Will he make that statement within the next week or ten days?—because all of us realize that relaxation is necessary because of the difficult dollar-sterling exchange situation.

Right Hon. C. D. Howe (Minister of Trade and Commerce): I shall be glad to prepare such a statement to make to the house.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Monday, April 24, consideration of the motion of Hon. Douglas Abbott (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Macdonnell (Greenwood), and the amendment to the amendment of Mr. Coldwell.

Mr. A. L. Smith (Calgary West): Mr. Speaker, at the outset of my remarks last evening I assured the house that I would be brief. I now proceed to prove the truth of that statement because I intend to briefly discuss two matters; one, the position of the mounted police pensioners and the other, the question of the fiats which are required when one wishes to sue the crown.

I mentioned the first subject in the debate on the budget during the last session of the last parliament. What I had hoped, and what the members of the veterans association of the mounted police hoped, was that there might be some discussion of their problem by the members of the House of Commons. These men assured me, and I am quite sure they were correct, that they would receive sympathetic consideration from the members if a discussion were allowed. At the last session I discussed the problem with the Minister of Justice, and he was of the opinion,

as I was, that the better time to bring it up was on the discussion of his estimates. Some of you will remember that in the last two days of the last session the estimates of the Department of Justice were split, then deferred and not dealt with until the last day, at which time I was not here. Having lost that opportunity, the next thing I thought of was to bring the matter up by way of notice of motion of a resolution. The experience I have had has shown me that these private members' resolutions rarely get a hearing, so I discarded that method.

What am I seeking from the minister? I want to say this, so that no one will think there is anything political about it. The position taken by the government and the minister is essentially the same as the position taken by the late Lord Bennett when he was leading the government. I have read all the correspondence, certainly all that could be brought to my attention, including the last letter from the Minister of Justice, and what I think is wrong about the whole matter is that the government insists on treating the mounted police as civil servants. They are not that. They do not work only seven or eight hours a day. Let no one think I am criticizing those who do. No doubt those hours of work have been arrived at by negotiation between employee and the employer. In mentioning those hours of work per day I am not casting any aspersions on civil servants. It is still true, however, that a member of the mounted police is on duty twenty-four hours a day, and that has been so ever since the North West Mounted Police was first formed.

In the session before last I was able to present a petition prepared by ex-members of the mounted police. I sent copies of it to every member and every senator, but the replies I received were not numerous; in fact, I did not get any at all. It looked like love's labour lost, so far as the correspondence was concerned. I am not asking the minister specifically for this or for that. He is well aware that in their petition the ex-members of the mounted police asked for three things. I agree that he was not in a position, for the reasons which he then gave, to grant all those requests. I am really asking for a reconsideration of the plight of these men. As a basis for that consideration, it should be borne in mind that the men in this organization are not civil servants. They really belong to a military organization. The problem of law enforcement under difficult circumstances makes that statement easily understood.

I am glad that the Minister of Agriculture (Mr. Gardiner) is in his place, because I am sure his memory is as clear as mine about the many brave and courageous services that have been performed by the men of this splendid organization, which is still excellently led by Commissioner Wood. Coming as we do from Regina or its neighbourhood, I am sure neither he nor I could have avoided an appreciation of the sympathetic consideration these men deserve. What I am asking now is something which I think might be done in an administrative way, without further motions or bills being passed by this parliament. It is a simple fact that a number of these men are now crippled and unable to earn a living. I refer to the men—perhaps the minister will recall them—who wore little pill-box hats; the men who patrolled the north by dog team in winter and by canoe and on horseback in the summer. As a result of that service many of these men—and I have one definitely in mind—after enduring the rigours of the climate, find themselves incapacitated. Some of the amazing trips which these men made read like an adventure story, and, as we all know, no saga of the north is complete without some mention of them.

Through their organization I endeavoured to get individual cases which I could bring to the attention of the government at this time. I want to be frank in saying that I failed in that attempt. I failed because these men said they would not permit themselves to be used as examples. They said they were getting along as best they could. It does seem to me that, even on an administrative basis, at least hospitalization could be provided for them. I am not speaking of a man who had a year or two in the service, but let us set a minimum of ten years' service. Some of them have had twenty-five or thirty years, and it seems to me that we might, through the generosity of our hearts, provide services for those men who served us so well when things were infinitely more difficult than they are today.

I wish to pay this tribute to that great force. For fourteen years I prosecuted in western Canada on their behalf. For a good many more than fourteen years I have been actively engaged in the criminal courts on the defence side. A short time ago I checked with those who were associated with me in my office, and only on one occasion in these hundreds of cases did I ever find it necessary to cross-examine a member of the mounted police on a point of credibility. As a practising lawyer I can pay no greater tribute to that force.

I am not going to ask the minister to specifically do this or that. The answer has been given by the Bennett government, by this government and by this minister, that to interfere with the pension arrangements for

retired members of the mounted police would mean revamping the whole pension scheme for civil servants. Theoretically I would agree with that; but if we consider the conditions under which the service was given by the mounted police in western Canada—because they were confined to that country when the Minister of Agriculture and I knew that part of the country some time ago—I would disagree. Those were the conditions under which they operated. They had no vacations; they had no fixed hours of work, because they were always on call.

In these days of motorcar accidents on the highways, these men are out again and again. It is true that there are road patrols, but there are not nearly enough of them. Perhaps it would not be wise police administration to increase those patrols, but when the ordinary fellow becomes involved in a motorcar accident he calls the nearest mounted police station. Those are the services which these men are rendering. I could go back to the early days. I remember them going off on the trail of ninety-eight to the Yukon by dog team—because it was a winter trip. I remember them going to the South African war. One can hunt our penitentiaries through and through, and so far as I know not a single ex-member of the mounted police will be found. It may be that, with the extension of their activities in modern times to include secret work in subversive organizations, some of us will not agree that that is a proper job for that force. People wiser than I am, however, have seen to it that they are undertaking that work, something along the lines of the work undertaken by the F.B.I. in the United States. Tremendous progress has been made by the mounted police. It may be news to many members in this house, but in the city of Regina they have research laboratories containing equipment to equal anything the F.B.I. has in Washington. The great strides this organization has made in the scientific detection of crime will be of benefit to this country.

I leave this subject with the reminder that you will not hear from these men about whom I am talking. They are too proud. I leave it to the consideration of the government, with the request that they base their thinking on the distinction between the sort of work these men do and that done by the ordinary civil servant.

I should like now to refer to the other subject I mentioned last evening, namely, the requirement that the citizen must procure a fiat from the crown before he can sue the crown. I brought this matter before the house last year, and I remember the reply which the Minister of Justice gave. He said there was no necessity for a change, because a fiat had never been, or at least had been rarely, refused. Since that time I have had correspondence with many people. May I say that I am referring to the dominion government now, and not the provincial government, because it is necessary to obtain a fiat from the provincial government as well. I believe the Minister of Justice, on the advice of his deputy, inadvertently overstated the situation. The information has come to me that insurance companies, who are involved through the insuring of persons who have been in accidents with crown corporation employees or dominion government employees, have practically given up asking for these fiats from the powers that be. I do not know whether it is the Solicitor General or the Minister of Justice who grants them. I put my request on much broader grounds than that. When a man has been injured by an action of the crown, or by a servant of the crown, or by a servant of a crown corporation, will anyone give me one single reason why he should not be able to go into a courthouse and press his claim, the same as one of us sitting here in this house would press his claim against another? I know it is an old right which has come down from early days when parliament did not amount to anything. In the growth of parliament many of these prerogatives have gone. That fiat is there because of the old statement that the king can do no wrong, even though he runs over you and your motorcar. That statement that the king can do no wrong is a poor answer to give you. Your leg is still broken, whether he can do no wrong or not; and you have no remedy unless the consent of the crown is given, by way of fiat, so that you may have the right to sue.

Let me be fair in this matter. Some few years ago in the place in which I live certain accidents took place. As a matter of fact, an aeroplane came right down in the centre of one section of the city and exploded, people were burned and that sort of thing. On that occasion the crown was good to me. I did not suggest suit, or anything of the kind, but I wrote to the Department of Justice and said: "Under these circumstances I think you will admit your liability." They admitted liability in the case of a little boy who was badly burned. Then they passed an order in council appointing an Alberta judge to settle the question of damages. In that way I obtained a fee from the government. I also obtained a very good judgment, but not too much, for this poor unfortunate crippled boy. I think the crown paid me $200 in costs, so that I was able to

turn over to these unfortunate people the whole sum which was granted by the court.

I am therefore not speaking from any personal pique or anything of the kind. I rest my case on the firm belief that no citizen, merely because of an old adage or something of the kind, should be debarred from suing the crown or the crown's agents. To place such a bar in his way shows a lack of regard for our courts by the Department of Justice itself. I do not mean the Department of Justice that we have in this year 1950; I mean the Department of Justice as it has existed over a long series of years. Why should the government, of all people, say to the courts: You cannot try this case unless we give a fiat to the person seeking to bring it before you. With respect, Mr. Speaker, I say that is all wrong. It has been wrong for scores of years.

It seems to me that the present minister will do himself honour and justice by simply tidying up that matter, because a criticism of the courts is inferred just as long as we say that the court cannot act until somebody in the department gives it permission so to do. As to all these stories about cases being settled beforehand, may I say that nine out of ten lawsuits with which the crown has nothing to do are settled. Few of them come into the courthouse. I am merely asking this government, through its Department of Justice, to take the same attitude toward our courts as private citizens are expected to take, and to put the citizens in the same position as the crown in bringing such actions as they please or as they are advised to bring so that they may be determined by the one great prop of our civilization, the judiciary, which, to a greater extent than the other two great estates, has held firm in all the difficulties through which this country and this world have passed.

Mr. Jean François Pouliot (Temiscouata): I must pay a tribute, Mr. Speaker, to the Minister of Finance (Mr. Abbott) for the fine manner in which he delivered his budget speech. The budget represents an expenditure of $2,750 million a year. It is a considerable amount of money. Of that amount, approximately one-third is for war, as the minister has stated—one-half is for interest on the public debt incurred in two world wars, and another half for war expenditures. It is five years since the second world war ended, and we have to face tremendous war expenditures for the defence of this country.

I well remember that, when Mr. Dunning was minister of finance before 1930, I was looking at the budget figures with him; and the Liberal policy then was to reduce the debt and reduce the taxes. He told me that if it had not been for the expenses of the first war, the budget would not have been higher at the time than it was when Sir Wilfrid Laurier was prime minister of Canada. The increase in taxes was due to the first war, and the expenditures during the second war were ten times what they were in the first war. Today therefore our problem is one of taxation due to war expenditures. We are all for the protection of this country, but it is surprising that after such a long time we still have to spend so much money for war purposes or for defence.

I remember that during the last war I opposed the policy of outright gifts to Great Britain. I also opposed the financing by the Canadian government of the sterling area, meaning by that the financing of the British empire. I recall that a member of the press gallery wrote that we could expect no gratitude from those whom we were trying to help by way of gifts.

During the recess I was fortunate enough to read the report of a speech delivered somewhere in India by the Secretary of State for External Affairs (Mr. Pearson) in which he indicated that he realized we had done too much during the last war. My chief, the Prime Minister (Mr. St. Laurent), spoke to the same effect in the debate on the address, and stated there would be no more outright gifts to any other country.

I remember well an occasion when an hon. member opposite was complaining about high taxation. I told him he had no right to complain because he had approved, with closed eyes, some of the expenditures made during the war against which some of my colleagues and I had protested. It was difficult to do that in those times. We were pointed at, because we were ahead of our time. Those things were said so long ago that when they are now repeated by people having greater authority one forgets who said them first.

It is always unpleasant to make such remarks; but they have to be made, because one must express one's opinion earnestly and fearlessly. What did we get from our war effort in the first world war or in the second world war? We got practically nothing. Today political difficulties have arisen between the provinces because of the war. There are also economic difficulties, particularly that of high taxation, which causes me to sympathize fully with the Minister of Finance (Mr. Abbott).

There are a certain number of people in Canada who believe that when an offensive or a war is in progress somewhere Canada should always take the lead. They have expressed that opinion many times. It is

easy to answer them. Let us consider, for instance, the position of Ireland. She is close to Great Britain, which was so heavily bombarded during the war. Yet Ireland remained outside the war, and declared her neutrality.

Mr. Knight: Southern Ireland—Eire.

Mr. Pouliot: Yes, Eire. They declared themselves neutral, and they do not now have to face the same difficulties we face. We were told we should do certain things to support the sterling area and the British empire, expecting generosity in return. We have had none.

Let us consider the countries of South America, and particularly the Argentine, which has been trading so extensively with Great Britain. While the Argentine did not take part in the war, their business is now flourishing. On some other occasion I shall avail myself of the opportunity to mention the new constitution of the Argentine, which contains some provisions which might serve as an example of good legislation.

What is the conclusion? The conclusion is that the understanding of trade and commerce by our Minister of Trade and Commerce (Mr. Howe) is perfectly sound. He is going to different countries to promote Canadian trade. A few days ago it was refreshing for me to hear the Minister of Fisheries (Mr. Mayhew) refer to barter, which is another suggestion that came from a private member last year. I spoke many times about barter, when American dollars were so scarce.

It is extraordinary that we have to deal through New York and Washington to sell our products in other countries for American money. What was said by the Minister of Fisheries about barter sheds a ray of hope for the betterment of trade, and increasing trade among the nations of the world.

There are other things which are done and which help Canadian trade tremendously. I have in mind particularly the international trade fair which has been held in the last two years, and which is to be held again in Toronto at the end of this month. That trade fair gives other countries some idea of what Canada can sell. I have heard many people, including the Prime Minister, speak in favour of private initiative. This is the time to encourage private initiative, because the more people who lean on the government for help, the greater will be our taxation. Some reconsideration is necessary in matters of social security, and I hope the committee studying these matters will give that consideration. It is important to encourage our people to produce as much as they can, and to help them not only in production but in the distribution of Canadian goods throughout the world. Help should be given farmers in the east so that they may obtain the produce of the west, and so that they may continue with the breeding of their cattle and the development of their farms.

I do not wish to speak at great length this afternoon. I did however wish to bring these matters to the attention of my colleagues, and to tell them that I regret very much my inability at times to listen to their speeches in the House of Commons. However, when I have the opportunity I read them in *Hansard*, and I am always interested to be informed of expressions of opinion from all parts of the house.

You, Mr. Speaker, and my colleagues have always been most kind to me. I appreciate that, and believe that we should co-operate in an effort to do our best for our own people.

There are a couple of things I should like to say. Some people are under the impression that the duty of a member of parliament consists in expressing opinions and that it is easy to tell some people that they should have more and more, et cetera, et cetera. The member of parliament has a painstaking task, but when he does his duty he has a certain satisfaction. One of the difficulties we face is the fact that there are certain people who are not responsible to parliament, who apparently have contempt for parliament, who surround themselves with an atmosphere of mystery at all times. I am not referring to those who are under the jurisdiction of a minister, because progress has been made in that respect; I refer to those employed by crown companies whose salaries it is impossible to find out about.

Many of them have been left over from the second war. We have kept them on and are paying fat salaries as well as travelling expenses. There they are in their ivory towers looking from on high on members of parliament. It is time they should be brought to reason. It is time we were told what is being paid to them. A fine-tooth comb should be used to clean up every one of these crown companies. I want my colleagues to be respected by all those in the public service. These people should not consider themselves as being masters; they are civil servants and they should respect the members of parliament.

I am giving a warning to these people. I do not know them personally, but I want them to give good service. I want them to respect our parliamentary institutions. I want them to respect my colleagues. I want them to understand that we are ready to co-operate with men of good will for the advantage of the Canadian people. For a long time I fought

hard for the Liberal party. That was in the dark and ungrateful years of the war when there was so much prejudice in the House of Commons. I was not alone as there were other hon. members who tried to save the face of the Liberal party so that it would fulfil our expectations and help the country at large and the Canadian people.

I am glad to see a new generation of members in the house who are full of good will and enthusiasm. They are an asset to the House of Commons. I pay special tribute to our colleagues from Newfoundland on both sides of the house who are doing so well. They are doing their best to make a useful contribution to the debates and I compliment them upon the way they are fulfilling their parliamentary duties.

I shall not say any more because I hope the vote will be taken today. I hope that in the near future greater progress will be made in regard to Liberal policies as expounded by our leader and by all previous leaders of the party.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as I see it the function of a nation's budget is threefold. In the first place I believe the function of a budget should be to stimulate the production of real wealth. Secondly, I see it as the function of a national budget to determine the portion of our national wealth that is to be collected each year and spent collectively on services for the good of the nation as a whole. In the third place I regard it as a function of the nation's budget to determine the basis on which that portion of the nation's wealth which is collected for collective spending is raised. In the present budget the government has failed on all three counts.

I know a great deal is being said by Liberal protagonists about the high value, at least in dollars, of Canadian production at the present time. We are given a figure of around $15 billion as being our gross national product. But I suggest that so long as there are unused and undeveloped natural resources, so long as there are large numbers of our people unemployed, so long as there are large numbers of our people living on small amounts of money such as old age pensioners, superannuated civil servants and certain other categories whom I might name, so long as there are people who are not receiving enough of the necessities of life, it can hardly be argued that the production of wealth has been stimulated to the level desirable for this nation. I submit that the purpose of the budget should be to put to work those thousands of our Canadians who are unemployed on our natural resources to produce additional goods and services to meet the needs of our people.

The figures as to the number of unemployed vary from 350,000 to close to 500,000, depending on who is giving the figures. However, it is somewhere in that range at the present time, and probably closer to the latter figure. At the present time our gross national product is in the neighbourhood of $15 billion and our working force is in the neighbourhood of five million. Hon. members will realize that I am using very rough figures, but I think it is fair to draw attention to the fact that approximately five million people at work are producing approximately $15 billion worth of wealth. That works out to about $3,000 worth of real wealth per year per person at work.

I know that some will say that the next statement I am going to make is altogether too simple, but I suggest that its simplicity does not detract from the fact that it is pretty close to the situation. I feel that what we should be doing is seeking to put to work the 350,000, 400,000 or 500,000 who are presently unemployed. If we could put 400,000 idle people to work to produce wealth on the basis of the present national average of $3,000 per person per year, we could be producing an additional volume of goods and services well in excess of a billion dollars. If we could do that we would solve some of the problems that we are worrying about in the field of social security, and it would also mean much to the standard of living of our people. Of necessity I have talked in terms of dollars but I think what I have said makes it clear that I am really thinking in real terms, namely in terms of goods and services—food, clothing and shelter—the things our people need. I submit that until budget policy stimulates production to a level consonant with the number of our workers, our natural resources, our capacity to produce and the needs of our people, budget policy is inadequate, and I suggest that is the case at the present time.

My second statement as to the function of a national budget is that it determines the portion of the national production that we collect through the agency of government, which represents us all, and then spend collectively on purposes and services desired by the nation as a whole. I know that it is a popular indoor sport to complain about taxes and about the extent to which people have to work to provide funds for the government, but let us be realistic. What we do when we collect taxes to meet government expenditures, apart from the occasional

extravagance or mistake that may be made, is in the main what I have just said, the setting aside of a portion of the national wealth that we produce year by year to spend on purposes that we nationally and collectively desire. These purposes range all the way from national defence to social security, the providing of health services, keeping the post office going, the building of wharves and docks, and a thousand and one other things that we would not do if we were just a collection of individuals and not a civilized nation. It is the fact that we act collectively that marks the democratic civilization that is ours.

Far from complaining about the amount of taxes collected, although I shall say something about the way in which they are collected, I feel that what matters is what we get for our taxes. In other words, it is the job of government to assess the situation in the country and to decide how much of the wealth we are producing should be gathered into a central pool and spent collectively on the things that all our people want. Some of them we have to have whether or not we want them. We all feel that way about a good deal of the money we spend on defence. We deplore having to spend the amount deemed appropriate for that purpose but as a nation our people are prepared to accept it as something that has to be done.

On the other hand, it is strange indeed the extent to which complaints are made about the alleged impossibility of financing the costs of a broader program of social security such as some of us advocate. When that complaint is made it is frequently suggested that a broader program of social security costing a certain large sum of money is unreasonable in relation to a national budget of $2,410 million. What we have to compare is not the cost of a program such as social security with the amount of money that comes in and goes out of the consolidated revenue fund. What we have to do is to compare that amount of money with the total production of wealth in the country as a whole. When we ask for an over-all social security program that may cost a billion dollars all told the thing to do is not to compare it with the amount of money that comes in and goes out of the consolidated revenue fund. The thing to do is to compare it with the $15 or $16 billion worth of wealth we are producing in the country this year, or with the $16 or $17 billion or more that we could produce if we had policies that stimulated full production.

That is my second complaint about budget policy. I do not feel that the government assesses the whole situation and faces up to the overwhelming desire of our people for more collective spending in such fields as social security where our people want to see some real progress. What this involves is what some of us call a certain amount of redistribution of wealth. There is another phrase creeping into budget phraseology that means the same thing, transfer payments. The justification for that is that a great many people who participate in the producing of wealth to an average of $3,000 per person per year do not get an income of anywhere near $3,000 per year. Because they have participated in it, it is only fair that we who represent the people should do our best to effect such redistribution as we can to get back to the people what they deserve. In other words, when we ask for increased transfer payments, when we ask for a broader measure of redistribution of wealth, when we ask for a broader program of social security, we are not asking that people be given something for nothing. We are not asking that they be given something they did not work for, that they did not produce, that they did not earn. We are simply asking (a) that they be given a chance to produce to the maximum; and (b) that they be given a chance to share fairly in the wealth that they have helped to produce.

My third point about the function of a budget is that it determines the basis upon which that portion of money which is raised and spent collectively is raised. In other words, the budget sets out the scale of income tax payments. The budget decides what proportion of federal money is to be raised on the basis of income, what proportion is to be raised on the basis of the sales tax, what proportion is to be raised on the basis of excise taxes, and so on. My complaint about budget policy in this respect is that too large a portion still comes from such indirect taxes as the sales tax, and that we have not moved far enough in the direction of raising as much of our national revenue as we possibly can on a basis such as that of the income tax which is the one tax based on ability to pay.

I feel the necessity of emphasizing that point at the present time because of the talk there is in the country about ways and means of financing any broader social security plan. When any financing scheme is brought in for such a plan I insist that it must not be like the sales tax. It must not be a flat tax that disregards the ability of people to pay. Rather it must be built into the one plan that is based upon ability to pay, namely, the income tax, with graduations going up steeply as you get into higher brackets.

I want to turn now for a moment to another matter which relates not to budget policy in the broad way in which I have been discussing it but rather to a practice being followed by the government which is referred to as legislating by means of votes in the estimates. This is a practice which has been growing for quite a number of years. I have raised the odd complaint about it in the past, but I feel that my protest against it has received very strong support from a real authority in these matters. I should like to say a few words about it at this time.

First, I shall go back and say that on December 2 during the last session, when we were dealing with a bill to amend the Salaries Act, I asked the Prime Minister (Mr. St. Laurent) why it was that the estimates indicating the salary of each cabinet minister and his motorcar allowance were grouped together and marked "statutory". I was not complaining about the amounts of either of them but was just raising the technical point.

I pointed out that the $10,000 salary is clearly provided by statute, and I wondered where was the statute that provided for the $2,000 motorcar allowance, that made it possible for the government to group these two items together in the estimates and put opposite that item the letter (S), meaning statutory. On December 2 the Prime Minister (Mr. St. Laurent) replied, at pages 2605-06 of *Hansard*, as follows:

> Yes, a provision was made in the estimates of 1931 for a motorcar allowance for any minister of the crown. I believe hon. members will find the reference in *Hansard* of August 1, 1931. The same question presented itself to me, and I asked to be assured that nothing else was necessary so that if and when any minister was appointed there would be the same provision for him as for any other member of the cabinet. I was shown a vote in August, 1931, which makes provision for the allowance of $2,000 for every member of the cabinet for that year and for future years.

I might add that the vote also included a $2,000 motorcar allowance for the leader of the opposition and $1,000 each for the Speaker of the house and the Speaker of the Senate. This was my reply on that occasion:

> Mr. Knowles: This may be only a technicality, but I confess it puzzles me a bit. I think the Prime Minister understood the point I made before, namely, that the full $12,000 is listed in the estimates as statutory. In other words, both the salary of $10,000 and the motorcar allowance of $2,000 are provided by statute.
>
> Mr. Abbott: A vote is a statute.
>
> Mr. Knowles: There is no question about the $10,000, but is the item of August 1, 1931, a statute? The Prime Minister called it an estimate.
>
> Mr. St. Laurent: It is a vote which is a statute because it is voted in the schedule to which effect is given by the appropriate statute of that year.
>
> Mr. Knowles: I shall look it up some time.

Obviously I was a bit puzzled by the whole incident, and proceeded to look it up. I raised the matter again some eight days later, on December 10, 1949, when we were in supply on the estimates of the Minister of Finance. At that time I brought to the attention of the house the exact wording of the estimate which had been voted in the Appropriation Act No. 5 of the statutes of 1931, nineteen years ago. The vote was as follows:

> *352.* To provide for payment annually from the consolidated revenue fund of the sum of $2,000 to each minister of the crown charged with the administration of a department, the solicitor general, and the leader of the opposition, and the sum of $1,000 each to the Speaker of the Senate and the Speaker of the House of Commons, in lieu of motorcars and their maintenance, including chauffeurs, the acceptance of such sums not to vacate their respective seats in parliament; and to authorize the governor in council to appoint any person now employed in the public service as a chauffeur of a passenger automobile at Ottawa, whose position is abolished, to a vacant position in the public service, provided such chauffeur has been continuously employed as such for at least two years and that the appointment will be made at no higher remuneration than he is now receiving, $42,000.

My point at that time was that I found it difficult to understand how a vote of $42,000, bearing in mind that this was the limit placed upon the amount to be expended under that item passed back in 1931, could be used to keep on paying $36,000, $38,000 or $40,000 a year—or more—for all the years following. We had some debate about it on the floor of the house on December 10 of last year, in which I developed the point I have just made. At page 3123 *Hansard* for that date the Minister of Finance (Mr. Abbott) replied as follows:

> Mr. Abbott: As my hon. friend pursues these purely legal questions I always follow his legal arguments with a great deal of interest.

After it was all over the minister almost offered me a job in his law office, but I could not qualify. I think he just wanted to get me out of here. The minister went on:

> Perhaps it is not necessary for me to say that the Minister of Finance has received a formal opinion from the deputy minister of justice that this is what is known as a continuing vote. From year to year the estimates are filled with items of this kind, including a number of pension items, which are voted once in an appropriation bill but which continue as a statutory charge. I used to lecture in the law faculty of McGill before I entered public life, but I have given up that occupation for the time being. If my hon. friend would like further elucidation I am sure the deputy minister of justice would be only too happy to discuss it with him. I can assure him that there is appropriate legal authority for the continuing payment of this item from year to year.

Well, I am a persistent sort of so-and-so, and I did not let it drop there. I suppose someone will say that I should have taken the minister's suggestion and got in touch with

the deputy minister of justice, but I made my own decision in the matter; I wrote a letter to the Auditor General and called his attention to the statements as they appeared in *Hansard* of December 10, asking whether he cared to make any comment and also whether or not this matter had ever been the subject of comment in a report of the Auditor General. Well, the Auditor General, who after all is a servant of parliament and not of the government, quite properly replied to my letter and dealt with the points I had raised. He gave me his comments and enclosed a copy of one of his reports, also a copy of a memorandum he had prepared dealing with this particular question. I find that despite the assurance the Minister of Finance gave me that the deputy minister of justice was quite sure this was all right, the Auditor General does question the practice.

Mr. Abbott: My hon. friend is aware that the Auditor General, though a very distinguished public servant, is not a member of the legal profession.

Mr. Knowles: Dare I say that might be in his favour? At any rate the point I am making just now is that he is appointed as a servant of parliament; and his function, as he clearly says in one of his letters to me, is to make sure that the authority of parliament in the voting of money is not overridden. Mr. Sellar called my attention to the Auditor General's report of 1947-48, at pages 15 and 16, where he has a section of about four paragraphs under the heading "Legislating by appropriation acts." This is a bit lengthy and a bit technical, but the gist of it is that he questions the practice of legislating by means of putting items in the estimates. In the first part of this section he says:

> Since this office was established seventy years ago attention has, from time to time, been drawn to problems associated with legislating by means of token items in annual appropriation acts. For example, the procedure by-passes normal parliamentary safeguards against hasty decisions with respect to public expenditure. Further, the practice tends to disturb constitutional usages with respect to money bills—both within the House of Commons and in relationships between the Senate and the house. An ancillary characteristic is that the practice presents difficulties to searchers for the authority for payments.

Then he goes on in a rather lengthy paragraph, No. 40, to deal with a certain incident having to do with annuity payments, pointing out that the Auditor General had withheld the audit certificate in a certain case because the vote in the estimates seemed to override the provisions of the act, and the result was that one item after another, differently worded, was put in until finally by that means the government got its way. Then in paragraph 41 he deals with the matter by pointing out that an illustration of this business of legislating by items in the estimates is the motorcar allowance to ministers, the Speakers of both houses, and the leader of the official opposition. Finally he concludes this section by saying:

> The practice of legislating by appropriation acts has attractions when dealing with special cases or making temporary exceptions from general legislation; but the thought presents itself that it might be a safeguard and a convenience to members were such items listed together in a special schedule and the reasons therefor printed with each item—as is the practice with respect to bills.

I am going to bring forward other examples in just a moment; I am not dealing only with the motorcar allowance. That is just the example I happened to start with. The point I wish to make is that the Auditor General, who is not a lawyer and therefore does not go to the extent of saying whether such and such is illegal, does say that the practice of legislating by putting items in the estimates has attractions when dealing with special cases or making temporary exceptions from general legislation. You can hardly call it a temporary exception, however, to continue paying a $2,000 motorcar allowance from 1931 right down to 1950. The point the Auditor General makes, and the point I make, is that here we are paying out every year a sum of money which was never authorized by parliament in the way in which normal legislation is passed. The normal practice in connection with a money bill is that it is preceded by a resolution and goes through all the various stages. Before we got old age pensions it had to be done in that way. Before we got family allowances it was done in that way. Before we could get any increase in the old age pension it had to be done in that way. Before any money bill becomes law it has to go through all the processes and steps required for the enactment of legislation. When you can slip an item into the estimates and get it passed, however, to use the words of the Auditor General, you by-pass the normal procedures of parliament.

That is done in two ways. It is done by these continuing votes, such as the one that was passed in 1931 having to do with the motorcar allowance to cabinet ministers, the two Speakers, and the leader of the opposition. The result in that case is that it was just passed once in the simplest way possible, and from then on we do not even vote it; it is just listed in the estimates as statutory, and the Auditor General says many such items are scattered through the estimates. In other words, in many cases where the letter (S) appears in the estimates, the item is statutory only in the sense that once upon a time it was passed under the terms of a continuing vote, such as the one I have read

Mr. Abbott: It is a statute.

Mr. Knowles: Just a moment; your quarrel over this matter is with the Auditor General. In most cases where the letter (S) appears in the estimates it means to us that a proper money bill, a proper statute, has been passed by this house. When we see the letter (S) opposite the amount to be voted for old age pensions, or opposite the amount to be voted for family allowances or for disability pensions, we know that provision has been voted by parliament by means of a proper bill with all the terms and conditions set out in that statute. Now, however, we discover that in many cases in the estimates the (S) simply means that it was passed as a continuing item some time in the past. Then there are some cases, like the salary and motorcar allowance of the ministers, where you get two different kinds of votes grouped together. The Salaries Act provides for the $10,000; item 352 in the estimates of 1931 is taken to provide the other $2,000. Now in the estimates, however, they are conveniently put together as $12,000 and marked "Statutory".

Mr. Abbott: My hon. friend used the phrase "a proper bill." What does he consider a proper bill?

Mr. Knowles: A proper bill legislating for a particular purpose is a bill that stands on its own feet, so you can deal with the principle involved in that bill and so parliament can pass upon its terms and conditions. That is the criticism the Auditor General offers. As a matter of fact, it is the criticism that was made in a report coming from a committee of the Senate thirty years ago, more or less, which I will not take time to read simply because my own time is likely to run out on me.

I shall come back to this if I have time, but I wanted to say that the other way in which we are called upon to legislate by means of items in the estimates is through the inclusion of many items which we do vote every year but which have never been made proper, which have never been clearly set out in an act of parliament.

I can give a few examples. As a matter of fact I have before me a list of about twenty. There is an item in the estimates of the Department of Agriculture which provides for making certain appointments notwithstanding the provisions of the Civil Service Act. In other words by that vote we by-pass the normal requirements of the Civil Service Act, or the necessity of amending that act in the proper way. Oddly enough, there is an item in the section of the estimates headed "civil service commission" which provides for the payment of $2,000 a year extra to each of the three civil service commissioners. In view of the care with which the civil service commission carries on in dealing with salary matters, I am amazed that the three commissioners should accept salaries made up of certain amounts provided by statute, plus $2,000 each voted in the estimates.

Mr. Abbott: Which is also provided by statute.

Mr. Knowles: It is voted in the estimates each year, with the phrase "notwithstanding any of the provisions of the Civil Service Act." Then under external affairs there are three items that have such provisions. One has to do with the making of a large number of appointments all over the world, which are made notwithstanding the provisions of the Civil Service Act. We are proud of the fact that the civil service has reached the point it has in our modern democracy, yet we by-pass it time and again. Not only does the government by-pass the act; it by-passes the accepted procedure of changing an act by bringing in an amending bill. This is being done simply by placing an item in the estimates.

There is another external affairs item which has to do with the use of inconvertible foreign currencies to acquire property. Another has to do with the salary of the chairman of the joint United States-Canadian defence board. No statute has been passed to provide that salary; it is done simply by an item in the estimates. The same is true, as the minister knows, of the grants to municipalities in lieu of taxes, though I understand the intention is to bring in a proper statute with respect to that appropriation.

Mr. Abbott: That is not a continuing appropriation.

Mr. Knowles: I think I have already made it clear that there are two ways in which this questionable practice is carried on, one by a continuing appropriation, the other by an appropriation every year which nevertheless by-passes the necessity and desirability of a statute. The secretary to the governor general, a good friend of mine—which proves that there is nothing personal in this—gets his salary in part under the statute, but largely through an item in the estimates containing the provision that this is done notwithstanding the provisions of the governing statute. There are two such items in the estimates of the Department of Justice and one in the estimates of the Department of Labour. There are a couple in the section known as legislation. One of them in particular is the extra $4,000 per year paid to our

good friends the parliamentary assistants. There never has been a statute to provide for the payment of that money.

Mr. Abbott: There has been, each year. I do not want to interrupt my hon. friend, but he must be accurate. That money is voted each year, and it is in the Appropriation Act each year.

Mr. Knowles: If it is of any interest to the Minister of Finance I can tell him that my notes are taken from a memorandum I received from the Auditor General himself in response to an inquiry I addressed to him.

Mr. Abbott: As I said before, the Auditor General is a distinguished public servant, but he is not a member of the legal profession and his views are his own.

Mr. Knowles: Certainly they are, but I happen to agree with him. The minister and the government do not hesitate to quote the Auditor General or any distinguished public servant when he is on their side. In this instance I want to make it perfectly clear that he is not saying what has been done is illegal. He is questioning the practice and suggesting that a change should be made.

Mr. Abbott: My only reason for interrupting was that the hon. member said these were not authorized by statute. I am convinced that the Auditor General never said to my hon. friend or anyone else that the $4,000 a year paid the parliamentary assistants is not authorized by statute. I am sure my hon. friend will not find that in any memorandum from the Auditor General or anyone else.

Mr. Knowles: The Auditor General includes that item in the list of twenty or more which he gives as examples of vote texts that legislate, and he seriously questions the practice of legislating merely by putting items in the estimates.

Mr. Abbott: My hon. friend's travelling expenses are in exactly the same category.

Mr. Knowles: The travelling expenses that are paid to us when the government puts an item in the estimates to cover our trip home at Easter are in that category.

Mr. Abbott: That is right.

Mr. Knowles: The expenses that are paid to us on a statutory basis to cover our coming down here at the first of the session and going home at the end are provided for in the proper way by statute. Similarly, if we are going to pass a supplementary item every year providing for the full payment of the indemnity of members of the House of Commons and Senators who have been absent owing to illness, the same Auditor General suggests that, now that it has become a recognized practice, it should be done by amending the Senate and House of Commons Act. This is not an original idea of mine. That is what the Auditor General has said quite clearly in his memorandum; he has said that the Senate and House of Commons Act should be amended to take care of these things that are being done year in and year out instead of doing them by means of these annual votes on the estimates.

In that connection he points out that the matter was the subject of discussion at one time in the British house, and as a result of a rather interesting case, which was known as the Australian case, Fisher *v.* the Queen (1903) A.C. 158, the judicial committee of the privy council ruled that an appropriation act could not override a statute. Consequently in 1908, quite a while ago, the British public accounts committee abandoned its previous viewpoint, which was that appropriation acts could be used in the way that we are using them here, and they declared:

> It is desirable in the interests of financial regularity and constitutional consistency that such a procedure should be resorted to as rarely as possible, and only to meet a temporary emergency.

And:

> The fact that a proposed vote overrides an existing statute should be clearly stated on the face of the estimate, with the reasons for adopting that course, so that no doubt can exist of the deliberate intention of parliament. The exceptional nature of the vote should also be indicated in the Appropriation Act.

I was in the midst of giving certain examples when the Minister of Finance (Mr. Abbott) interrupted me. There is in the estimates of the Department of Mines and Technical Surveys an item that permits of certain funds to be paid to civil servants, notwithstanding the provisions of the relevant statute. In the Department of National Defence there are a couple of large items, to which the Auditor General calls attention, which provide for commitments to be made in future years that total over $600 million. The Auditor General has put it mildly and I agree with him. He questions the practice of agreeing to these large appropriations by the simple process of an item in the estimates as distinct from the normal money bill procedure that requires all the stages that we go through.

Mr. Abbott: Does not my hon. friend call an appropriation bill a money bill?

Mr. Knowles: Certainly it is a money bill.

Mr. Abbott: It is the money bill of all money bills.

Mr. Knowles: But it includes well over $2 billion worth of separate items, and we have

no chance of voting upon the principle involved in these various expenditures in the way in which expenditures are supposed to be dealt with by the process of a resolution and a bill going through all its stages. The minister knows about this because I am sure this memorandum is available to him, as it was to me—as it certainly should be—and all of the quotations and the citations are here for him to read.

I submit seriously that it is not just a technicality. Perhaps the government is trying to save time; but I think they have been in power so long and feel that their power is so great that they follow the simplest course of putting an item in the estimates instead of first bringing down a bill. That is the way it has been done so far with these grants to municipalities in lieu of taxes. That is the way it has been done for several years now with respect to the national health grants which come under the Department of National Health and Welfare.

I sat in the gallery of the Manitoba legislature a week or so ago and heard the minister of health there tell Lloyd Stinson, who had asked him a question, that he understood there soon was going to be a statute so that the provinces would know where they stand with respect to the health grants. I hope that will be done soon, because I make it clear that I am not against this money being voted; I am for it. In fact, I am for a great deal more of it. But I want it done in the proper way. Under Trade and Commerce there is an item of this nature. There is one under Transport and also one under the Central Mortgage and Housing Corporation.

Another one to which the Auditor General calls particular attention is an item in the Finance estimates of this year, vote No. 101, which reads as follows:

> To provide, subject to the approval of the treasury board, for miscellaneous minor and unforeseen expenses, including recoverable advances for working capital purposes, and for the re-use of any sum repaid to this appropriation from other appropriations.

From that the Auditor General went on to discuss the question of motorcar allowances and all these other items that are put through in this simple way rather than in the slightly more roundabout but clear-cut way that is provided. The Auditor General has made it clear to me in the correspondence that I have had with him—and I have written him on several occasions—that he is not interested, and that officially he is not supposed to be interested, in the legal aspects of it. I do not quarrel with the practice of the Minister of Finance in going to the Minister of Justice (Mr. Garson) or to the deputy minister of justice for his legal opinions. The Auditor General makes it quite clear that it is his function as a servant of parliament to help parliament to protect its interests in the voting of money. One of the principles that have been laid down in our parliamentary institution is that the voting of money is left to parliament and that, before these permanent and continuing sums of money are paid, there should be a statute that provides for the payment of that money, and lays down the terms and conditions under which it is paid.

I think I should take just a moment to read something I referred to a moment ago but did not read because I was afraid of the running out of my time. It was a part of a report made to the Senate by a special committee of the Senate on the rights of that body in matters of financial legislation. The chairman was Senator W. B. Ross. In a memorandum prepared by him and attached by the committee to its report is to be found the following:

> To reject a supply bill might in olden times have been feasible, but today, with the functions of government so vast and complicated, it is unthinkable . . . It would mean chaos. A supply bill should be passed as a matter of course by the Senate in almost any conceivable circumstances if it contains nothing but supply.

An hon. Member: What year is that?

Mr. Knowles: It is about thirty years ago. The quotation continues:

> If other matters are inserted in the bill or "tacked to it" these should be struck out and be made into a separate bill or bills.

That is the whole point of this part of my remarks, Mr. Speaker. I am not necessarily objecting to any of the items to which I have referred. Some of them I would question, but some of them I am wholly in support of. But I think the position taken by that committee of the Senate thirty years ago, a position given endorsation by the fact that the Auditor General has now included it in the memorandum which he read before the Senate committee not long ago, is perfectly valid, namely, that you should not, if I may use those words, "tack to" a supply bill matters other than supply. If we want to give cabinet ministers or the leader of the opposition $2,000 a year motorcar allowance; if we want to have parliamentary assistants and pay them $4,000 extra a year; if we want to pay members of parliament and senators their full indemnity if they are absent more than fifteen days owing to illness; if we want to make special exceptions in the matter of appointments in the Department of Agriculture or by the Department of External Affairs—

Mr. Abbott: Or pay travelling expenses for Easter.

Mr. Knowles: What is that?

Mr. Abbott: If we want to pay travelling expenses for the Easter recess.

Mr. Knowles: Yes, I agree; I fully agree to add that to my list. If we want to make any of these extra commitments; if we want to increase the salaries of the civil service commissioners; if we want to increase the salary of the secretary to the governor general; let us do it in the proper way, by a statute dealing with that specific proposal.

From time to time the Minister of Finance has criticized us in the opposition for the things that we have said about his budget, and he has asked us to look at it with a magnifying glass and find things that are wrong. Well, I hope I have satisfied him today.

Mr. Abbott: Only on procedure; you are taking the Tory line, that you agree with what is done, but that it is done the wrong way.

Mr. Knowles: No. I think if the Minister of Finance (Mr. Abbott) paid attention to the first part of my speech, in which I dealt with the functions of a budget, and where I said his budget had fallen down, he will agree with me—

Mr. Abbott: I was referring to the latter part.

Mr. Knowles: —that there is a wide difference between the so-called Tory line and our position with respect to budget policy.

Mr. Abbott: I was referring only to the latter part.

Mr. Knowles: Well then, the minister wanted parliament to take time to examine the way in which they are building up the estimates, and asked for suggestions as to how they might be cut down. He got one answer from the hon. member for Kamloops (Mr. Fulton), and I have taken another approach. I have called as my chief witness, in support of the position I take, one whom he has properly described as a distinguished public servant, namely the Auditor General. His position is quite clear. He is the servant of parliament and his job is to help parliament protect its own rights. Let me say I have written to him at times about things that I thought were a little off colour, and I have had replies from him—on occasion—to the effect that I was wrong, and that the practice being followed was the proper one. In the matter about which I am speaking today, his views and mine agree.

In other words, I have complete confidence in the objectivity with respect to these matters of the Auditor General; and I think the Minister of Finance should have the same confidence. Instead of brushing off the complaints I have made today he should take them more seriously. May I point out that in all of these I have been dealing with representations which the Auditor General made to a committee of the other place, but I have dealt with only one section of them. There are several other complaints he makes with respect to present practices in connection with estimates. If time makes it possible later in the session I shall discuss some of those other matters. At this time, however, I ask particularly that the government give serious consideration to the representations of the Auditor General, and that the practice of legislating by appropriations should be changed, and that the suggestions he has made should be accepted.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, the budget which has been under consideration for some time, but under debate for only a few days, is in fact a statement of the way in which the government proposes to deal with the business of the country during the current year. The details are not before us in the budget for examination; and that, in itself, is a basic principle which must have some bearing upon a consideration of the budget. Those details will come before the house in the estimates, and in some cases will come before committees.

It is appropriate, however, to mention the statement of the Minister of Finance (Mr. Abbott) in presenting his budget which, in general terms, said in effect, "These are the expenditures we propose to make. We do not know any economies that can be practised. This level of approximately $2,400 million is going to continue as the lowest point we can expect to reach."

Within the estimates that I included are departments which propose to make very heavy expenditures. The department which will make the heaviest expenditures of any operating department of government is the Department of National Defence. In that case the estimates presented to us give no details which make it possible to understand anything more than the general purpose of the expenditures. That is merely an example of what we are encountering, in effect, in a number of other very important departments.

The Minister of National Defence (Mr. Claxton) has persistently resisted the request that his estimates be placed before a committee of the house, as has been done in the case of the Department of External Affairs and has been done in other cases. Now we have received the warning that the information is

going to be fairly limited so far as the Department of National Defence is concerned. In a radio address last night the Minister of National Defence stated it was not possible to give the public information in regard to his department because the people who would like to know about it would be the Russians.

As has already been pointed out in the house, the estimates of the department of defence in the United Kingdom are placed before a committee, as are other estimates. As has also been pointed out, Mr. Watson Sellar, the Auditor General, has on different occasions—and not only recently—indicated the necessity for improving the method of presenting accounts to the House of Commons, and of establishing a procedure which will restore to parliament effective control over the expenditure of public moneys.

I must confess I was surprised this afternoon to hear the Minister of Finance point out on more than one occasion that the Auditor General is not a lawyer—as though that in some way disqualified the Auditor General from expressing an opinion in regard to the propriety of some particular account, or as to the kind of account it might be. The Auditor General of Canada has been regarded with very high respect by both sides of the house, and his opinion has been regarded as a most reliable one. It has been assumed that when he makes a statement concerning accounts in one way or another, as to their being one kind or another, and that when he makes a statement as to the adequacy of procedure, he is doing so after having obtained whatever legal advice he might regard as necessary for that purpose. He would not be fulfilling his duties as Auditor General if he did not take steps to inform himself in regard to matters of that kind before stating his opinion, as he does. I have confidence, and I am sure most hon. members have confidence, that he is competent to make the statements he does make in his annual reports and on other occasions.

In respect of the Department of National Defence we are being asked to approve an expenditure of $425 million and to make commitments of $619 million. When we examine that item we must realize that a large part of this is made up of expenditures that under no conceivable circumstances could be regarded as secret in any way. Much of it is for clothing; much of it is for equipment; much of it is for buildings. And even that part of it devoted to military expenditures is for goods that are available, in their design and otherwise, to anyone who wishes to consult the ordinary textbooks open to the public. For that reason, these accounts along with others should be submitted to the investigation of a committee on estimates which in turn would be subdivided into appropriate subcommittees to deal with the various departments.

If there is one thing essential to the effective conduct of the business of this house it is that all essential details be disclosed before members are asked to pass judgment on anything that is before them. That applies with particular force to the granting of those sums of money which in turn can be obtained only by the taxation of the people who are represented by all members here.

There is a simple and obvious reason why the government should seek to make full disclosure of every detail. After all, the government insists upon full details being disclosed by every individual. Every taxpayer must be ready to give the full details in regard to his affairs and it would seem only reasonable that the taxpayer who is going to pay the taxes should be assured of equally complete disclosure by the government of those expenditures which form the basis of that taxation.

In so far as this budget is concerned, it simply gives the broad picture and it is for that reason that amendments are not moved in regard to the detailed accounts as those amendments can always be moved at another time. The amendment proposed by the party to which I belong indicates our views as to the way in which this budget fails to present a proper approach to the problems that are ahead of us. The amendment that was introduced, after the usual introductory word, states:

> This house regrets that the policies of the government, as announced by the Minister of Finance,
>
> (1) make higher taxation inevitable;
>
> (2) make no adequate attempt to eliminate extravagance and avoid unnecessary expenditure; and
>
> (3) make no provision for a program of national development, without which there can be no hope of a reduction of taxation and the present high cost of living.

The statement that the budget makes higher taxation inevitable is based upon the obvious fact that if any of the things are to be done which the government has undertaken to do and which it has not yet done, there is no way of carrying out those undertakings except by higher taxation. Furthermore there will of necessity be higher taxation in order to meet our requirements unless production continues at the level of last year.

The second point is that the budget makes no adequate attempt to eliminate extravagance and avoid unnecessary expenditure. The Minister of Finance has an utterly meaningless interjection which he makes from time to time: "You approve of what we do, but you do not like the way we do it." That statement in itself reflects upon his sense

of responsibility in dealing with this budget and with all it entails. The Minister of Finance comes forward with this budget, which means that the people of Canada will be called upon to pay $2,400 million in taxes, and indicates no way in which any attempt is to be made to increase the efficiency of government, to avoid duplication of services and to reduce unnecessary expenditures in cases where that can be done.

The Minister of Finance says very often, "Show us where we can save money; show us where this can be done." At the same time we are presented with estimates about which the details are not available, and in the case of the largest of these it is said that we cannot get the details because some other country might like to know what they are. There is not a member of this house who does not know of a case where there could be improvement in efficiency and a reduction in the duplication of services, with advantage both to the business of government and to the civil service which is handling the business of government.

Even if there were no such knowledge available we have this simple problem before us. Because of the commitments of war it was necessary and inevitable that there should be a great expansion of government services. In the very nature of that expansion new tasks were undertaken without the time being given that would ordinarily be given to organizing activities of that sort. Any ordinary business which had been called upon to expand in that unexpected and sudden manner would have put experts in to examine its accounts, to examine its structural organization and to suggest improvements in the way of doing business. Any ordinary business that did not carry out some such procedure would be headed for financial trouble. The methods of ordinary business should apply to the business of government, although I agree that they have not been applied and in many cases are not intended to apply.

One thing that should concern every member is the fact that statements have been frankly made by those who are associated with certain services connected with the government that ordinary business methods do not apply. Another thing that should cause concern is the statement that ordinary methods of accounting cannot be put into effect. During the last few years there has been an increasing emphasis everywhere on the necessity of efficient cost accounting. The cost-accounting mind is completely absent from any approach to the business of government which has been displayed in this house.

The only way that this broadly expanded business of government can be examined and brought to the ultimate efficiency is to do what any efficient business, large or small, would do, have the whole business of government examined by experts and have recommendations made as to how the whole business of government can be made more efficient and how the business of the people can be brought back under the control of parliament itself.

I have already indicated that I intend to bring this subject up on another occasion. For that reason I shall not discuss it in more detail today because members of the house will have an opportunity to express their opinions upon it. But I emphasize to every member the great need for an examination of the whole business of government as one of the factors in the stand we are taking with other democracies against the threat of communist imperialism today. The efficiency of democratic governments is going to measure to a very large extent the way in which they will maintain their strength during that period which has been described as the cold war. The winning of that cold war, without its ever turning into a shooting war, depends to a considerable degree upon the extent to which we can convince the thirteen men in the Kremlin that the business of the democracies is so efficiently conducted that there is no chance of any danger to their economic structure in the years ahead. For that very reason, as a part of the strength of democracy itself in Canada, we should follow a course that will bring to its maximum efficiency the whole business of government which is the business of the people themselves.

The third point made in the amendment is that there is no provision for a program of national development without which there can be no hope of a reduction of taxation and the present high cost of living. Nowhere in the budget statement is there any suggestion of carrying on any of those activities which would help to expand many of our natural opportunities in Canada in a way which would help to expand production and also help to support a very much larger population. Although it was denied a short time ago, it can no longer be denied that we face a period of decreasing prices for the products of Canada, and it can no longer be denied that unemployment on a very substantial scale is already here.

When those facts are mentioned there are those who say that anyone who mentions unemployment or lower prices for basic products is showing a lack of faith in Canada. The very opposite is the case. We have faith in Canada and its resources, and we do not believe that there should be idle resources in Canada when there are unemployed people who could be working on their development.

An hon. Member: What about gas lines?

Mr. Drew: I am very glad gas lines have been mentioned. Canada has available enormous resources of power in the form of electricity, gas and oil. The way to create employment in Canada is to make sure that the first use of those resources is for Canadians themselves. That is what we have been emphasizing and that is what we have been asking. In the past few years discoveries challenging the imagination have been made in oil, gas and iron, as well as titanium and other basic minerals and commodities, all of which can be the basis of a vastly increased population in Canada. By all means let us export the surpluses that we cannot use here up to the point that such export is consistent with our long-term advantage, but also let us be careful that in exporting raw materials we do not to some extent endanger our own future by limiting the amount that may be available at some future time when our population will be very much greater than it is today. There are some kinds of production and export that we can carry on to the maximum without impairment of our strength in any way.

So long as our soil is maintained, so long as conservation methods are practised, there is no reason why we should not produce all that can be produced from our soil for both domestic consumption and export. In the case of such products as those manufactured from the forest wealth of the country, so long as careful conservation is practised and cutting is limited to a point that assures a perpetual crop, there is no reason why we should not export all that we can over and above our own requirements. A different situation, however, arises as to such resources as nickel, copper, lead, zinc, iron, wasting assets of that kind. A very large part of our buoyancy has depended upon exports of these products. I am not suggesting there should be no export but I am suggesting that in all these cases we should seek to expand in every way we can the use of these mineral and other resources in our own country for the employment of Canadians.

There is unemployment today. There are men who desperately want work. There are resources which can be developed by the government as great national ventures without imposing new tax burdens upon the taxpayers. These resources would produce new power and create new producing capacity from one end of the country to the other. When we express regret that the budget statement indicates no provision for anything of that kind we are combining that with the speech from the throne because it would be within those two speeches that any indication of such action would be disclosed.

We have great confidence in the future of this country. The population any country can support is determined by the food it produces, by the material it can produce for the construction of homes and other necessary buildings, and by the work available for the people. These things are to be found in Canada far beyond the requirements of the present population. We could feed several times the number now living here. We could heat homes in this country with various fuels that are available; and we have the raw materials with which to build homes or other buildings. It is not necessary to determine what the exact figure may be as long as we are confident that we can support that larger population. If we can, then whatever we do to develop new power resources, and resources of other kinds, will assure a substantially larger population in the years to come, over which the burden of our accumulated debts can be distributed. In that way alone can there be a general reduction of taxation. It is perfectly true that a very large part of the tax burden of this country is the result of the part we played in two world wars. That will be a continuing debt for a long time to come; but one way to ease that burden is to do what may be reasonable to spread the carrying charges of that obligation over a larger number of people.

Coming to the subamendment now before us, I see that it refers to development and an increase in production, with which we can most certainly agree. In the second paragraph, however, it regrets that the government makes no provision for increased national production through economic planning, public control of investment and public ownership of monopolistic industries; then it goes on to make further statements. Economic planning must be understood as those words are meant in this case; and in this case economic planning means economic shackles. I recognize that probably those who put forward this suggestion do not believe that yet, but in too many places in the world there have been convincing demonstrations of the fact that the intervention of government in the general economy of a country has limiting

rather than expanding results. Also I cannot imagine anything that would be more fatal to the future of a country so relatively undeveloped as Canada as control of investment by government and government doctrinaires.

I do not need to emphasize what the control of investment by government would mean. It would simply mean that the development of anything in this country would depend upon the judgment of some official of the government as to whether or not a particular investment should be made. Nothing would be more certain to prevent the investment of risk capital, which is essential to the full development of our great resources which are capable of so much greater use than that to which they are now being put, right from Newfoundland to British Columbia.

As for the public ownership of monopolistic industries, I would point out that this is a very loose term. Monopolistic industries may mean almost anything, as it has in Saskatchewan. There industries have been taken over for public development, in one case because there was a dispute within the industry; in another case because the government did not like what was being done; and in a number of other cases for no reason that had any relationship to a monopolistic position. On the experience of what has happened in the one case where it has been openly tried in this country, certainly I am convinced that this would impose a measure of control and possibly punitive action, if it could be exercised by those putting it forward, which would be dangerous indeed to the future of this country, and for that reason the party to which I belong will not support the sub-amendment though the first paragraph and the last part of the second paragraph contain statements with which we could certainly agree.

Having made these observations I only repeat that I feel sure there are those who mistakenly believe some of these ideas would be sound; but if practices of this kind could be justified at all, I can think of no time when they would be less justified and more unwise than at the present, with the vast opportunities that are opening before us today.

This budget debate will be followed by consideration of the estimates, and at that time many details can be examined to such extent as they are available. There is one subject I would put forward at this time, however, since it is something that cannot be dealt with effectively on the estimates—that is the desirability of taking appropriate steps to avoid duplication as between departments of the dominion and provincial governments.

[Mr. Drew.]

Many of the services being given today could be provided very much more efficiently if a decision were made as to which government should handle a particular subject and what device should be employed for raising the necessary money. Then the whole business could be handled by one department, instead of being divided among one department at Ottawa and ten provincial departments, all dealing with some aspects of the same subject. That applies with particular force to the department of health, and it applies to the departments dealing with lands and forests and minerals. It applies to a number of other departments, and a careful approach to the broad problem of public expenditure would undoubtedly find ways in which substantial reductions could be made at one level or another, the dominion, provincial or municipal, with increased efficiency and with more effective contact with those who are served. That is not something which, at the moment, can be included in the terms of this budget. On this occasion I am simply putting it forward as a suggestion, which is parallel to the suggestion I have already made, that by an examination of the structure of government itself the duplication of services as between government departments, and within departments, could be avoided.

These observations have been made, Mr. Speaker, in the hope that, whatever the result of this vote may be, and I am not making any suggestion that the motion before the house will not be supported by the majority of the house, when that time comes I am still hopeful that parliament will be ready to accept suggestions, and to seek ways by which the business of the people can be brought fully under the control and supervision of the people's representatives. I am sure that to the extent that every member on both sides of the house is prepared to approach the problem in that way, we shall all be making a contribution to the development of Canada in the years ahead.

Mr. P. T. Hellyer (Davenport): Mr. Speaker, I rise at this time on behalf of the people of Davenport, whom I have the honour to represent. The constituency of Davenport is situated in what was formerly known as the town of York. It is now known from coast to coast, yes even across the seas, as Liberal Toronto. The people of Davenport are ordinary people, and most of them, like myself, are forced to work for a living for reasons that are entirely beyond their control. We in Davenport do not claim high mountains, broad rivers, great mines, or any of the other natural legacies so proudly enumerated by the people of other areas in this great dominion. We do, however, have great respect for

my illustrious predecessor, Dr. J. R. MacNicol, who is a great Canadian, a fine gentleman, and one who does not wish to damn anything —with the probable exception of the south Saskatchewan river.

The people of Davenport are sensible people, and most of them do not make unreasonable demands on government. They only seek a reasonably buoyant economy, one which will provide employment and opportunity for individual initiative, along with a certain amount of collective security to take care of those hazards which are handled so well by means of the insurance principle. It is because of those modest requirements, and the way that they have been and are still being taken care of by the present administration, that I should like to take this opportunity of congratulating the Minister of Finance on the consistent economic policy he has followed in the presentation of his several budgets. It must have required a great deal of intestinal fortitude to present the first two budgets containing the extremely high taxes and restraints that were necessary to control the inflationary tendencies of that time. They were definitely unpopular, and justifiably so in the minds of some people who are prone to criticize.

Then, last year a much more pleasant task devolved upon the minister in that, still in line with his policy, it was necessary to relax some of the restrictions and reduce taxes.

Mr. Fraser: The 27th of June.

Mr. Hellyer: My hon. friend questions the motive behind last year's budget, but we will not get into a discussion of that. It is possible to kill two birds with one stone, but what I am going to say about this particular budget, regardless of what anyone may think of it, is that it is consistent with the principles set out by the Minister of Finance. This afternoon we have heard people bemoaning the fact that there is some unemployment, and that some people are apprehensive of the future. Before I proceed let me say that last year's budget has been responsible for more production, and more employment, than anyone on the other side of the house is probably willing to give it credit for. If those reductions had not taken place we might have encountered a slight recession, as is the case in the United States.

This year we have a budget which is described by hon. members opposite as a standpat budget, and I think rightly so. Conditions in the country today warrant that type of a budget. It is consistent with the policy of preventing the cost of living from rising any further, and at the same time maintaining employment and industry in its present buoyant state. I am sorry the hon. member for Moose Jaw (Mr. Thatcher) is not in his seat, because the other night he made a statement that this was the end of cyclical budgeting. I do not know whether or not the name means anything in particular, but so far as this budget policy is concerned, I do not think it is the end. So far as the Minister of Finance is concerned, it is probably only the beginning of a new phase in the consistent policy so ably initiated by him a few years ago.

The opposition has presented an amendment showing want of confidence in the minister. They have mentioned three things they think ought to have been done which have not been done, or vice versa, as the case may be; they change their minds so often it does not matter which way you look at it. They bemoan the fact that the things that have been done cause higher taxation. I was looking through a booklet of the campaign speeches and pledges made by the leader of the opposition prior to this date of June 27 which is thrown at us from the opposite side of the house, in which he promises all sorts of things such as canals, highways, bridges, and old age pensions. I should like to quote one phrase from that booklet: "—far beyond any pledge of social security put forward by any other government in the history of this country."

What sort of broad statement that is, I do not know.

An hon. Member: You would not.

Mr. Sinclair: And the trans-Canada highway to go by your place.

Mr. Hellyer: It covers enough to make sure that higher taxation would have been inevitable.

Mr. Fraser: Oh, no.

Mr. Hellyer: And probably to make sure that there would be further extravagance and further expenditures; because some of the things I have looked over I am sure could not be justified on a self-liquidating basis, and certainly they would have been in a questionable category as far as extravagance is concerned.

National development is also in line with the minister's procedure of sound budgeting. At the present time projects are being carried forward as fast as they can be absorbed. If you read the forecast tabled in this house you will find that this year the capital expenditure will probably be the highest in the history of the Canadian economy. Most of it is relegated to two or three particular types of construction and development. Most of the things which hon. members opposite

have suggested we should have done are things which would compete with the things being done, to the extent that the inflationary spiral would start again, with higher and higher prices; and you would be right back throwing at us the fact that things were getting out of hand and our money was being further depreciated, and so on.

The conclusion to these few remarks is, I think, Mr. Speaker, that they do not know just what to ask for and do not know just what to complain about but because of their honourable status as His Majesty's loyal opposition they have to take some position. One day it is one position and another day it is the other position. But they are consistent in one fact: it is always some position.

Mr. Knowles: What position are you in?

Mr. Hellyer: I had intended, Mr. Speaker, to make this a sort of full-blown economic debate—

Mr. Fraser: It is full-blown, all right.

Mr. Hellyer:—and elaborate on the minister's policy of consistent budgeting, but there are certain reasons why I should not. First of all, some of the people who need it most are not at present sitting in the house; and the second reason, and probably the most cogent, is the fact that I am not going to have enough time to do so.

Mr. Knowles: Look at the Liberal benches; they are half empty.

Mr. Hellyer: The financial critic of the Progressive Conservative party, the hon. member for Greenwood (Mr. Macdonnell), made a statement which I found most interesting. He mentioned the freedom that has brought us as far as we have come. I believe that is worthy of consideration. At the same time the leader of the opposition (Mr. Drew) recently made the statement, during a comment on a speech made by some other hon. member opposite, that he thought the situation could be handled by the same processes we have always used; by carrying on with exactly the same methods and techniques that we had used during the past generations and decades. Unfortunately, I do not believe that is true, and I know that the Minister of Finance (Mr. Abbott) does not think it is true or he would not have initiated this consistent policy which has been called cyclical budgeting; you can call it what you like.

The first great reason why it is not so and why the leader of the opposition is not on solid ground is that some of what he calls the natural laws no longer apply in our economy. What have been referred to as booms are usually artificial booms; and busts are, by the same definition, in many respects artificial too. I have not the time to go into the background of this; but, as you all know, in ancient days most of the economies were of the nature of one or two products; and if you had a natural failure, by immediate consequence you then had a depressed state. There has been a gradual tendency away from this and we have developed exceedingly complex societies, complex economic relationships, and a degree of specialization of labour which was never previously dreamed of. If you average all the cycles, all the moods of men, all the lack of rain in one area of the country offset by rain in the other, you find that the potential production of a diversified economy like our own does not change a great deal from one year to the next, except by natural increase.

The leader of the opposition would lead us to believe that if we just sort of let things go their own natural course—I think he might favour returning to the gold standard or something—it would all right itself and pretty soon we would have a new equilibrium which would have all of the necessary requirements to produce full employment and an extremely buoyant economy. Unfortunately this is not true either, and it is due to a natural process which has developed during the last two hundred years. We started with small industries. For natural reasons those have integrated and have become larger and larger for the sake of efficiency. Every year we have more industries, more products and more classes of produce in a category which could be said to be of a semi-rigid or rigid price nature. They are prices set by arbitrary decision and which do not obey the laws of supply and demand—one of the leader of the opposition's natural laws. A few years ago we had more commodities which fell in the natural price law category but the numbers are diminishing, and we now find ourselves in a complex economy in which we have a predominantly private enterprise, semi-rigid price structure. We still have some commodities in the free enterprise free competitive price category which obey the law of supply and demand.

Mr. Knowles: We have the highest cost of living in our history.

Mr. Sinclair: We have the highest national income in our history.

Mr. Speaker: Order.

Mr. Blackmore: Yes, give the man a chance.

Mr. Hellyer: It is because of this that the natural laws, which previously would have come into operation to get us out of our

troubles and restore equilibrium when disequilibrium sets in, are no longer of necessity operative. It is because of this that I believe that the Minister of Finance has accepted the inevitability of having to compensate for this price rigidity through a sound policy of cyclical budgeting.

Mr. Cardiff: You had better call it six o'clock.

Mr. Hellyer: Before I take my seat, I think I will just close by saying that I have every confidence in both the administration and the Minister of Finance and his officials, to maintain equilibrium, to maintain our purchasing power and to keep in this country that degree of economic buoyancy which is necessary to provide ample employment, and an increasingly higher standard of living for those apostles who keep interrupting with their gloomy remarks from the opposite side of the house. I have every confidence that there will be no depression in this country. A depression is not necessary.

Mr. Fraser: We agree with you on that.

Mr. Hellyer: We do not intend to have one. I suggest, Mr. Speaker, that if hon. members opposite would devote their time and talents to an effort to develop new industries so as to provide employment in exploiting the natural resources of the country, we might make appreciable progress toward full nationhood, and in the process enable immigrants in larger numbers to join with us in building Canada into that still greater nation which I am sure we all fervently hope it will one day become. As a closing remark, Mr. Speaker, I should think that this all ties in with something else which is of extreme interest to most people at the present time, and that is that if we can break this one thing, this business cycle, we shall have for all time disproved the Marxist theory and, in the words of Woodrow Wilson, made the world safe for democracy.

On motion of Mr. Fleming the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow the hon. member for Eglinton will continue the debate.

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

HOUSE OF COMMONS

Thursday, April 27, 1950

The house met at three o'clock.

VETERANS LAND ACT

REGULATIONS AFFECTING FORMER MEMBERS OF BRITISH ARMED FORCES

Hon. Milton F. Gregg (Minister of Veterans Affairs): Yesterday the hon. member for Peterborough West (Mr. Fraser) asked the following question:

Can the minister tell the house whether there are any new regulations under the Veterans Land Act affecting men who served in the British armed forces?

The answer is no.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

LOANS OR CREDITS TO OVERSEAS COUNTRIES

Mr. Thatcher:

1. What loans or credits has Canada extended to overseas nations since June, 1945?

2. What amounts of these loans have been repaid?

3. Are any of these loans in arrears? If so, to what extent?

Mr. Sinclair:

1. United Kingdom, $1,165,000,000.00; Belgium, $68,843,287.68; China, $52,215,997.48; Czechoslovakia, $16,673,706.82; France, $251,043,900.19; Indonesia, $15,452,188.21; The Netherlands, $123,949,275.97; Norway, $23,656,985.07; Union of Soviet Socialist Republics, $2,866,098.69.

2. Belgium, $6,554,287.68; China, $2,033,322.64; France, $16,739,900.19; The Netherlands, $5,812,703.86.

3. See report on the operations under part II of the Export Credits Insurance Act for the fiscal year ended March 31, 1950, tabled in the House of Commons today.

CANADIAN NATIONAL TELEGRAPHS—NEWFOUNDLAND—EARNINGS AND EXPENSES

Mr. Browne (St. John's West):

What have been the earnings and expenses of the Canadian National Telegraphs in Newfoundland, for the year ended March 31, 1950?

Mr. Chevrier: The Canadian National Railways advise as follows: Operating revenues, $692,632; operating expenses, $971,540.

CANADIAN BROADCASTING CORPORATION—NEWFOUNDLAND—EARNINGS AND EXPENSES

Mr. Browne (St. John's West):

What have been the earnings and expenses of the Canadian Broadcasting Corporation services in Newfoundland for the year ending March 31, 1950?

Mr. McCann: Earnings are estimated at $135,000; expenses at $275,000.

FAMILY ALLOWANCES

Mr. Wright:

1. How many employees are there in each of the provinces administering the distribution, investigation and other work necessary for the payment of family allowances?

2. Is all investigational work with respect to the administration and payment of these allowances done by dominion government staffs?

3. In what provinces is this work or any portion of it carried out by the provincial welfare departments?

4. What is the basis of remuneration to those departments for such work?

5. What is the total number of family allowances paid in each province?

6. What is the number of investigations carried out with respect to these payments in each province?

7. What is the number of cases in each province where payments have been withheld from parents because of failure to properly carry out the provisions of the act?

Mr. Martin:

1. Number of employees as at April 1, 1950 (exclusive of treasury employees): Newfoundland, 35; Prince Edward Island, 7; Nova Scotia, 45; New Brunswick, 42; Quebec, 210; Ontario, 187; Manitoba, 48; Saskatchewan, 48; Alberta, 49; British Columbia, 46; Yukon and Northwest Territories, 5.

2. No.

3 and 4. British Columbia, Manitoba, Ontario and Nova Scotia: $5 for each requested and completed investigation.

Newfoundland: $5 for each requested and completed investigation, provided that a guarantee of a minimum amount of $5,000 is given for the first year, commencing November 1, 1949.

5. Number of families in pay as at March 31, 1950: Newfoundland, 50,694; Prince Edward Island, 13,165; Nova Scotia, 91,012; New Brunswick, 72,410; Quebec, 507,727; Ontario, 603,847; Manitoba, 105,611; Saskatchewan, 116.917; Alberta, 130,686; British Columbia, 156,367; Yukon and Northwest Territories, 3,833.

Questions

6. Number of investigations completed during the month of March, 1950: Newfoundland, 65; Prince Edward Island, nil; Nova Scotia, 232; New Brunswick, 60; Quebec, 125; Ontario, 82; Manitoba, 120; Saskatchewan, 15; Alberta, 41; British Columbia, 29; Yukon and Northwest Territories, 11.

7. Total number of accounts in suspense for all reasons as at March 31, 1950: 13,765.

A large number of these accounts are suspended for purely technical and administrative reasons, such as: change of address, change of payee due to death of former payee, return of cheques by postal authorities, et cetera. It is not possible to segregate from the total number of accounts in suspense those accounts specifically withheld from parents because of failure to carry out properly the provisions of the act.

CANADIAN OVERSEAS TELECOMMUNICATION CORPORATION

Mr. Kirk (Antigonish-Guysborough):

1. How many directors are there on the Canadian Overseas Telecommunication Corporation?
2. What are their names, present and former addresses?
3. By whom are they appointed?
4. Who is the president?
5. For how long are they appointed?
6. What are their respective salaries, remuneration and expense allowances?
7. Has any director been appointed representative of any of the following provinces: (a) Nova Scotia; (b) New Brunswick; (c) Prince Edward Island; (d) Newfoundland?
8. If not, was consideration given to appointment of such a representative?
9. Are there any vacancies at present?

Mr. Chevrier:

1. Five.

2. Mr. D. L. Howard: previous address, 204 Hospital street, Montreal, P.Q.; present address, president and general manager, Canadian Overseas Telecommunication Corporation, Pascal building, 901 Bleury street, Montreal, P.Q. Lieutenant-Colonel Henri Gagnon: previous address, president *Le Soleil*, Quebec city, P.Q.; present address, no change. Mr. C. P. Edwards, previous address, deputy minister for air services, Department of Transport, Ottawa, Ontario; present address, no change. Mr. R. M. Brophy, previous address, president, Rogers Majestic Corporation, Toronto, Ontario; present address, no change. Major James Hamilton: previous address, vice-president British Columbia Telephone Company, Vancouver, B.C.; present address, no change.

3. His Excellency the Governor General in Council.

[Mr. Martin.]

4. Mr. D. L. Howard.

5. All above appointments are dated March 15, 1950. Mr. Howard, president and general manager: term of office as prescribed in the Canadian Overseas Telecommunication Corporation Act, seven years; Messrs. Gagnon and Edwards: appointed for three years; Mr. Brophy: appointed for two years; Mr. Hamilton appointed for one year.

6. Directors will not receive salaries. The act of incorporation provides that directors are entitled to receive for attendance at directors' meetings such fees as may be fixed by the bylaws of the corporation, but the bylaws have not yet been approved by the governor in council as required by the act. The director who is an officer of the Department of Transport will not receive any such fees. Directors will be reimbursed actual expenses incurred in attending meetings.

7 and 8. Mr. D. L. Howard, president of the corporation, is a native of New Brunswick.

9. No.

INCOME TAX—LUMP SUM RETIRING ALLOWANCES

Mr. Knowles:

1. In what way is income tax assessed on lump sum retiring allowances?
2. Are all such lump sum retiring allowances treated in the same way for income tax purposes?
3. If there are any exceptions, what is the basis for such exceptions?

Mr. McCann:

1. A lump sum retiring allowance may, at the option of the taxpayer, be either included as part of his income for the year it is received and tax levied accordingly, or it may be excluded from the rest of his income. In the latter case, the taxpayer shall pay a separate tax on such payment at a rate equal to the effective rate of tax which the taxpayer paid on his income for the last complete taxation year he was employed by the employer from whom the allowance was received.

2. Yes.

3. Answered by No. 2.

PRIME MINISTER'S SECRETARIAL STAFF—RESIDENTIAL PROPERTY

Mr. Diefenbaker:

1. Is a home being provided for any member or members of the prime minister's secretarial staff?
2. If so, are any works of construction or rebuilding now going on, and what is the anticipated cost?

Mr. Fournier (Hull): There is no intention of providing a home for any member or members of the Prime Minister's secretarial staff. There is, however, a residential property on the grounds of the proposed residence of the Prime Minister and consideration is being given at the present time to the question

whether it should be torn down, or alternatively, in view of the shortage of housing in Ottawa, put in shape for rental at a fair rent to such person as the Prime Minister might designate.

ROYAL CANADIAN NAVY—TENDERS FOR SUPPLIES

Mr. Pearkes:

1. What firms successfully tendered, during 1948 and 1949, for the supply of foodstuffs, blankets, clothing, uniforms, and other necessary items, for the Royal Canadian Navy?

2. What was the amount of each tender?

3. What firms successfully tendered, during 1948 and 1949, for the supply of fuel, oil and coal for the Royal Canadian Navy?

4. What was the amount of each tender?

Mr. Howe: I have been looking into this question, the first part of which asks what firms successfully tendered during 1948 and 1949 for the supply of foodstuffs, blankets, clothing, uniforms and other necessary items for the Royal Canadian Navy. Then there are three other questions.

With reference to the first part of the question, in 1948 the Canadian Commercial Corporation placed 13,616 orders for the navy, and in 1949 placed 19,292 orders, making a total of 32,908 orders in the two years for which the information is requested.

In order to compile the information as to the firms to whom the contracts were awarded and the amounts involved in each contract, the corporation has estimated that, by having the staff work overtime in order not to interfere with normal business procedure, it would take approximately two months at a cost of about $2,000, to answer this question. I suggest that my hon. friend would hardly wish to have the information to that extent. Perhaps he would allow the question to be dropped.

Mr. Pearkes: Yes; drop it. I would not like the staff to have to work overtime.

Mr. Speaker: Dropped.

RIDGEDALE, SASK., POSTMASTERSHIP

Mr. Wright:

1. Was a postmaster appointed at Ridgedale, Saskatchewan, on or about October 13, 1949?

2. If so, was this vacancy advertised?

3. Is it customary to make such appointments without notification to residents in the area who might be interested?

4. What are the departmental regulations governing such appointments?

Mr. Lapointe:

1. Yes.

2. No.

3 and 4. Where an assistant has had fifteen years' satisfactory service, the last ten years of which have been continuous and in the office which is vacant, the assistant is promoted when it is in the best interests of the public service.

ROYAL CANADIAN NAVY—EXPENDITURES

Mr. Pearkes:

1. What has been the actual annual expenditure on the Royal Canadian Navy, including both active and reserve divisions, during each of the years 1947, 1948 and 1949?

2. What is the actual, total estimated expenditure on the Royal Canadian Navy in 1950, including any sums to be spent during this year from commitments previously voted?

Mr. Claxton:

1.

1947-48	$42,942,028.74
1948-49	44,649,773.50
* 1949-50	73,315,000.00

* Subject to adjustment when final returns are recorded.

2.

1950-51	$82,000,000.00

QUESTIONS PASSED AS ORDERS FOR RETURNS

FEDERAL GOVERNMENT EMPLOYEES—SALARIES, WAGES AND ALLOWANCES—BILINGUAL APPOINTMENTS

Mr. Gagnon:

1. What was the total number of employees of the government of Canada, including employees of departments, boards, commissions, crown corporations and all other agencies, as at January 1, 1949?

2. What was the total amount of salaries, wages and allowances paid to such employees during the month of January, 1949?

3. What was the total number of employees of the government of Canada, including employees of departments, boards, commissions, crown corporations and other agencies, as at December 31, 1949, or the latest available date?

4. What was the total amount of salaries, wages and allowances paid to such employees during the month of December, 1949, or the month for which the answer to question No. 3 was given?

5. How many employees appointed by federal authority during 1949, or the closest period for which figures are available, were bilingual?

FEDERAL GOVERNMENT PUBLICITY DIVISIONS

Mr. Fraser:

What are the names, duties, salaries and travelling expenses, during 1949, of all those engaged in publicity or information work in each department of the government?

FOREST AND BUSH CLEARANCE AND SOIL DRAINAGE

Mr. Argue:

1. What sum was paid by the federal government in each of the provinces, during each of the years 1946, 1947, 1948, 1949, towards (a) forest and bush clearance; (b) soil drainage?

2. What percentage of the cost of each project was paid by the federal government?
3. From what vote or votes was the money obtained?
4. What acreage was reclaimed through (a) forest and bush clearance; (b) soil drainage, in each of the provinces, during each of these years?

FLOOD CONDITIONS

SOUTHERN MANITOBA—SUGGESTED INVESTIGATION BY INTERNATIONAL JOINT COMMISSION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to ask a question of the Secretary of State for External Affairs. This question has to do with flood conditions in the Red river area of Manitoba, and it is based upon an answer given on May 3, 1948, to a question asked by the hon. member for Provencher (Mr. Jutras). Has the international joint commission, at any time since the date of that answer, given consideration to ways and means of preventing the recurring floods in the area through which the Red river flows?

Hon. L. B. Pearson (Secretary of State for External Affairs): The hon. member for Provencher brought this matter to my attention only this morning. I told him then that I would try to get an answer right away, and I shall be glad to make that answer cover the question asked by the hon. member.

DOUKHOBORS

UNLAWFUL ACTS IN BRITISH COLUMBIA

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to ask a question of the Minister of Justice. In view of the joint announcement made by the Minister of Justice (Mr. Garson), and the attorney general of the province of British Columbia of a new three-point program to solve the "Sons of Freedom" Doukhobor problem; and in view of a press report that the attorney general of British Columbia stated that there has been recognition by Ottawa that the Doukhobor problem amounts to civil insurrection; and in view of the great importance of this question to residents of the southern interior of British Columbia and the Canadian people, would the minister make a statement to the house with respect to this program and the degree of responsibility the government is willing to accept toward the solution of the "Sons of Freedom" Doukhobor problem, and does the dominion government consider this situation a state of civil insurrection?

Hon. Stuart S. Garson (Minister of Justice): I wish to thank the hon. member for having given me notice of his question. May I say first of all that one of the alleged facts upon which the hon. member's question is based is incorrect. The announcement to which he refers was not a joint statement, but one issued solely by the attorney general of British Columbia, as is clear from its opening sentence.

My hon. friend asks whether the federal government considers this Doukhobor situation a state of civil insurrection. There has been no occasion for the federal government to form an opinion on this point. The point has never been discussed between the attorney general of British Columbia and myself, and it will be noticed that in his press statement there is no allegation that the problem in question amounts to civil insurrection. Such recognition is not necessary to the planning or working out of this joint program. It has been possible for us to co-operate in an effective way without any consideration of this point.

As the statement by the Hon. Mr. Wismer indicates, we supplied Mr. F. G. Mead, a former high officer in the Royal Canadian Mounted Police, as a member of a two-man committee "to advise the British Columbia government as to the action necessary to stop these crimes"—and when I use these words I am quoting from Hon. Mr. Wismer's statement. That is to say, Mr. Mead was to advise on the law enforcement aspect of the Doukhobor problem in British Columbia, which is a provincial responsibility.

At the same time Mr. Mead was to act as an adviser to our government on the custodial care of the Doukhobors in the federal penitentiaries, which is our federal responsibility. So acting he will be a liaison between the two governments to assist in harmonizing and co-ordinating provincial actions on law enforcement and federal actions with regard to the custodial care of Doukhobor prisoners in federal penitentiaries.

In this way we are managing, on a friendly and co-operative basis, to achieve a very considerable measure of co-ordination in our respective efforts. This I think will be further assisted by the fact that the British Columbia government has taken power to enter into a contract with this government to have the Royal Canadian Mounted Police look after the policing work of the province of British Columbia, as that force has been doing successfully in several other provinces for some years past.

Mr. Green: May I ask the minister when that contract comes into effect—in other words, when the mounted police will be taking over?

Mr. Garson: The contract is in process of negotiation at the present time, and the answer to the hon. member's question will depend upon the course of those negotiations and upon the length of time it will take to deal with all the necessary preliminary matters in an arrangement of this kind which will determine when the contract will be in effect.

Mr. Green: It will be some months yet?

Mr. Garson: Yes.

HONEY

FLOOR PRICES—QUESTION AS TO ARRANGEMENTS WITH CANADIAN BEEKEEPERS COUNCIL

On the orders of the day:

Mr. H. O. White (Middlesex East): I should like to ask a question of the Minister of Agriculture. What arrangements have been made between the Canadian beekeepers council and the agricultural prices support board as to a floor price for the 1949 honey crop; and what are the agreed upon floor prices, if any?

Right Hon. J. G. Gardiner (Minister of Agriculture): The honey council has not asked me for floor prices on honey this year. I have discussed with them the possibility of an advertising campaign, but beyond that I have not had discussions with them.

INDIANS

AREA NORTHWEST OF CHURCHILL—QUESTION AS TO FOOD SUPPLY

On the orders of the day:

Mr. William Bryce (Selkirk): I should like to ask a question of the Minister of Citizenship and Immigration. Can the minister tell the house what steps are being taken to supply food to the Indians three hundred miles northwest of Churchill, who are on the verge of starvation?

Hon. W. E. Harris (Minister of Citizenship and Immigration): I received notice of this question only as I entered the chamber, and I am asking for a report. However, I believe I can answer by stating that I am not aware that there are any Indians facing starvation at the present time. My department keeps a very close eye on them, and looks after them better than that.

Mr. Bryce: May I tell the minister that one of the army medical officers has reported Indians as being in that condition.

LABOUR CONDITIONS

PRINTING BUREAU EMPLOYEES—OPPORTUNITY TO APPEAR BEFORE PRINTING COMMITTEE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to ask a question of the Secretary of State (Mr. Bradley). I realize that his absence is due to illness; however, I sent notice to his office in the hope that some minister would answer it. Has the Secretary of State received a request from the Ottawa typographical union for an opportunity to appear before the committee of the house on printing to deal with matters of concern to employees of the printing bureau? If so, will the Secretary of State consider making arrangements for a meeting of that committee so that this request can be granted?

Hon. Alphonse Fournier (Minister of Public Works): Only a moment ago I received a note from my office stating that this question was to be asked by the hon. member. I understand that the department is preparing an answer. However, I hope that the hon. member will wait until the Secretary of State is here, so that he may answer.

BUTTER

SHIPMENTS TO GERMANY—METHOD OF PAYMENT

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): I should like to ask the Minister of Agriculture how we are being paid for the butter we are sending to Germany. Are we being paid in dollars or in kind?

Right Hon. J. G. Gardiner (Minister of Agriculture): It is being paid for in dollars.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Wednesday, April 26, consideration of the motion of Hon. Douglas Abbott (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Macdonnell (Greenwood), and the amendment to the amendment of Mr. Coldwell.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, a Canadian Press dispatch appearing in yesterday's newspapers drew attention to the fact that this budget debate has been characterized by speeches which, with few exceptions, have been related to the budget and have not strayed far afield. In the modest contribution I hope to make to this

debate this afternoon I also propose to confine my remarks to the budget and matters related directly thereto.

Those who heard the budget delivered in this house by the minister several weeks ago must have found it impossible to refrain from contrasting the speech, its proposals, and the manner of its delivery with the efforts of the same minister one year ago. Gone on this occasion was the debonair manner, the air of confidence, which characterized the speech and manner of the minister in 1949. This was a gloomy, sober occasion in 1950. The speech was gloomy; the manner of delivery was indeed sober; and the final paragraph in which, before concluding, the minister sought to arouse a faint cheer, was in striking contrast to the manner with which he approached his task. In 1949 the minister's mood was to give anything that was asked. The 1950 mood was to refuse everything. Indeed, the only resemblance between the Minister of Finance in 1949 and the Minister of Finance in 1950 was the fact that, as I read in the press, he wore the same suit on both occasions.

Mr. Abbott: Another economy measure.

Mr. Fleming: How the Minister of Finance reconciles the note struck in his budget speech with the vaunted optimism, more accurately described as flights of fancy, in which the Minister of Trade and Commerce (Mr. Howe) is wont to indulge with enthusiasm generated for political occasions, yet remains to be determined.

The Minister of Finance has grown up in a political school which has attached great importance to timing. As a matter of fact, following his budget speech in 1949 he permitted himself to say something on this subject for the guidance of future generations. A Canadian Press dispatch appearing in the newspapers of March 24, 1949, pictures the scene following the delivery of the give-away election budget. It pictures the Minister of Finance making his triumphant withdrawal from the chamber and his triumphant entry into the government lobby. It speaks about the members gathering around him, cheering, shaking his hand one after the other, Mr. King among them. Then the report goes on:

> Mr. Abbott grinned, took off the big brown-rimmed glasses and rocked from foot to foot on his heels, as he does.
>
> He looked across the faces at the retired Prime Minister and said, "As Mr. King says, boys, the timing of what you do can be just as important as the thing you're doing."

The lesson in timing in 1949 will not have been lost on those members of this house who owe their presence here to the donations made for their benefit by the Minister of Finance on that occasion; but this year the Canadian taxpayer has looked in vain for the same delicate sense of timing that characterized the speech of the minister one year ago.

The Canadian taxpayer, who is a pretty sound individual, will be applying a little of his common sense to this doctrine of timing. He will not have forgotten, of course, that 1949 was the election year, and the minister was prepared to "shoot the works", as he did. In 1950 we find the cupboard bare, because this is not an election year. In this budget speech the Minister of Finance has gone out of his way to make it abundantly clear to the Canadian taxpayer of 1950, 1951, 1952, and perhaps down as far as 1953 or 1954, that if he is expecting reductions in taxation he is doomed to disappointment. That same delicate sense of timing will dictate, in the light of what the minister has said, that any reductions in taxation shall be carefully preserved for the next pre-election session of parliament, whenever that may be. The net result is that we have a complete exposure of the purpose and guiding principles of budgeting as practised by the government. It is budgeting for and by political expediency, nothing more.

Well, at times the Minister of Finance gives indications of being a realist. In a speech over the C.B.C. national network on April 11 he correctly described his own budget in these words: "It was not a popular or exciting budget." Amen, say all those who heard it. If one were to summarize the budget in a sentence, I suppose that sentence would be to this effect: the picture for the overburdened taxpayer is utterly hopeless; no reductions in taxation are possible for him.

Before I go further I wish to put in direct contrast with that attitude on the part of the government the position of the official opposition. We altogether reject the idea that expenditures and taxes cannot be reduced, and I shall endeavour to indicate some proposals that we have made and shall continue to make along these lines. We take issue with the attitude of the minister when he says in effect that it is just no use trying, so why bother making the effort to pare expenditures or reduce taxes?

Mention has been made of the subject of cyclical budgeting. In this same radio speech the minister undertook to comment on that subject. He did not know whether he had ever used that expression before, but in his speeches in the house he has certainly subscribed to the theory of cyclical budgeting; there can be no question about that. Those of us who sat in this

house in 1948 will not forget the discussions that took place at that time on the budget, when for the purpose of frightening this house and the people of Canada the minister was holding up what he pictured as the dire calamities that would follow any abandonment of the theory of cyclical budgeting. His idea then was that when times are good he should draw off that surplus of money in the pockets of the people and in that way do the people a favour, because he would be helping them out of a difficulty and helping to meet the problem of inflation. If the picture now is half as bright as that drawn by the Minister of Trade and Commerce in those flights of fancy of his, then surely this is one of those occasions for doing that very thing. But the Minister of Finance knows quite well that political expediency would not permit it; that would be equal to an exposure of the manœuvres of the 1949 budget. The Minister of Finance, sir, has buried cyclical budgeting.

A word now about the position of the minister in regard to expenditures. It is fair to say that the budget speech contained more references to expenditures than previous budget speeches. As a matter of fact, it may be that the minister is at long last showing some faint indications of becoming aware that there are such things, and aware of the problems connected with them. I am sure this house will condemn with all its might the fatalistic acceptance of this ceiling on expenditures which the minister took for granted in his speech. We have his acceptance of a sort of inevitability of a continuing level of expenditures at $2,400 million per annum. We have, on the part of the minister and the government, a confession of helplessness, or a lack of will; I do not know which it is.

I was brought up in Galt, a city largely populated by people of Scottish descent. I was brought up to understand that in all honourable undertakings, and particularly in matters related to money, where there is a will there is a way. It does not fit into the upbringing I had in that environment to have the minister sit back and, with this gesture of futility, say that nothing can be done about it; that we have to accept $2,400 million per annum as the inevitable floor on expenditures. Before I go any further, let me say that I join with the hon. member for Brandon (Mr. Matthews) in the condemnation he offered in this house the other night of the fatalistic attitude toward so-called "uncontrollable" expenditure.

I go on from that, sir, to say that inherent in the minister's attitude there is something of the attitude he has demonstrated towards parliament. It is not unfair—and I want to be fair to the Minister of Finance—to say that whenever we have considered this subject of the necessity of a close examination of proposed expenditures, and the need for exercising the greatest sense of responsibility, the attitude of the minister has been one of defiance.

In his speech as reported on page 1213 of *Hansard* the Minister of Finance gives us a picture of the treasury board reviewing these estimates, and he seems to be saying to the House of Commons: "Well, that job is done; what remains for you is to go through the motions and pass them." He glories in defying the efforts of the opposition to get these expenditures pared down by the elimination of things we can do without, without suffering a loss of needed government services.

Mr. Cruickshank: What, for instance?

Mr. Fleming: If the hon. member will be patient, he will hear about it. The member for Churchill (Mr. Weaver) exposed a frame of mind which I think it is only natural to expect on the part of supporters of this government when he spoke with admiration about what he called "the billion-dollar mentalities" on the treasury benches. He regards that as something worthy of glowing praise. It recalls to my mind the remark of the Prime Minister several years ago, made in reference to a sum of $175 million, which I would have thought was a substantial sum, but to which he referred rather disparagingly as "peanuts". There are, of course, also the recorded remarks of the Minister of Trade and Commerce, who said "A million dollars—well, what is a million dollars?"

Mr. Abbott: May I ask the hon. member if he is suggesting that the former prime minister used the phrase "peanuts" in this house?

Mr. Fleming: No sir, I did not suggest the former prime minister used the expression "peanuts". I said the present Prime Minister used that expression in referring to the sum of $175 million. I have referred to the occasion previously in the house, and I think the minister's parliamentary assistant will recall one occasion last year.

Mr. Sinclair: The parliamentary assistant has no recollection whatever of the occasion.

Mr. Fleming: I do not know what the hon. member said, but it probably will not be the first time his memory has been lacking or seriously in error.

We have made proposals, and we plan to continue to make them. I might refer briefly in passing to the proposals that have already been put forward by hon. members of the

official opposition. The house will recall the concrete proposals made by the member for Kamloops (Mr. Fulton), and the member for Peterborough West (Mr. Fraser), about the publicity expenditure of $6 million, the expenditure on sundries of $17,500,000, and travelling expenses of $26 million. These items total $49 million. The suggestion was made that we could probably cut those expenditures in half without suffering a loss of anything essential.

I am sorry that my friend the Minister of Public Works (Mr. Fournier) is not in the house, because I should like to refer to something that concerns him. It also concerns the government, and I hope it is a matter of concern to the house. You will remember, sir, that when the government announced in the house it was proposing to use as a residence for the Prime Minister a property which had been expropriated by the government some four or five years ago, there was no voice raised in the house in opposition to this principle of establishing a home for the Prime Minister at the expense of the nation. I want to make it abundantly clear that, so far as I am concerned, there is no thought at all of quarrelling with the idea of acquiring proper housing accommodation for the Prime Minister at the expense of the nation. But I think this house wants to see some business principles applied to the procedure being followed by the government. I say, sir, in this respect, as well as in respect to many other matters that have been exposed in this house, the government did not follow business principles that would even do justice to the proprietor of a peanut stand.

What did we find when this subject was discussed in the house on March 21? To begin with, the minister could not remember the exact price of the land and buildings. It was somewhere in the neighbourhood of $130,000 or $140,000. I suppose $10,000 is a mere bagatelle about which they do not worry. He proceeded to tell us that he could not say what the project was going to cost; he indicated, if you please, that the government embarked upon the great expenditure they were proposing to make on this property, yet did not know before they started what they were going to spend. Is that not an amazing situation? They embarked gaily on the venture of improving this old property, but when they started they did not have any idea what the improvements were to cost them. They now say the main building is to cost, for renovation and reconstruction, probably about $135,000; they are still not sure. The improvements on the grounds will cost another $10,000, and it is not known yet what the furnishings will cost. I should like to make it clear that I am not condemning the acquisition of a suitable property as a residence for the Canadian Prime Minister, but I do condemn with all my heart such a wanton disregard of elementary business principles as applied to the expenditure of money on this or any other project.

In this connection hon. members will not overlook the words of the scripture to be found in the fourteenth chapter of the Gospel according to St. Luke, where this question is asked by Our Lord:

> Which of you, intending to build a tower, sitteth not down first, and counteth the cost?

Apparently the government is animated by other ideas.

Mr. Knowles: This is an ivory tower.

Mr. Fleming: A further example of the kind of proposal that we have put forward is that made by my leader yesterday when he urged that the duplication of services as between dominion and provinces should have the attention of the government with a view to the elimination of that duplication and the cost thereof.

Now I come to something that is, in my humble opinion, fundamental to our whole approach to this question of the elimination of extravagance and the exercise of greater responsibility in the house in the voting of public moneys. I wish to speak about the method followed in this house in relation to the review, if it ever may honestly be called such, of the estimates of expenditures. The fact of the matter is that today the method that prevails in the house is so awkward and so clumsy that it makes any proper check of expenditures impossible. The Auditor General said truly of late:

> It is generally recognized that the task of reviewing estimates produces a feeling of frustration. The limited time available and the broad diversity of public services permit only a scratching of the surface.

Indeed, Mr. Speaker, little more than a scratching of the surface is possible under the procedure that prevails in this house at the present time. It seems to me to be the greatest self-contradiction for the minister to be hurling defiance at the opposition to put forward concrete proposals, as we have been doing even in the face of handicaps, while at the same time he insists upon defeating every effort we have made to devise a method that will make possible a proper and adequate review of the estimates.

What is possible? There was a time when it was at least an expression of wish on the part of Liberal leaders in the house that the house might find the kind of method that I am speaking of, a method that does not prevail today, even by faint resemblance. It

was no less a person than Mr. W. L. Mackenzie King who in this house in 1928, in a debate in which the then leader of the opposition, Mr. Bennett, had put forward the same kind of plea that I am making here today, said, as reported at page 4048 of *Hansard* of that year:

> I entirely agree with my hon. friend that the system at present in force, under which a minister of the crown is necessarily dependent in the House of Commons on his deputy for much of the needed information, with the deputy also of necessity, often not wholly familiar with all the details of particular branches, is most unsatisfactory. Speaking for the government I would say that we would welcome a change in the present method, a change which would not only afford fuller opportunity for discussion but which would carry with it an obligation on the part of the heads of different branches of the public service to appear before a committee of the house and explain fully the reasons which have occasioned the recommendations which find their place in the estimates submitted to the house.

Those were the words of Mr. Mackenzie King in 1928.

Mr. Sinclair: Did Mr. Bennett change it when he came to power?

Mr. Fleming: Mr. King did not change it. He was a long time in office and did nothing about it, and the voluble and talkative member who has just offered his words of wisdom apparently has not the slightest intention of carrying into action the commendable statement made by his then leader, Mr. W. L. Mackenzie King.

Mr. Sinclair: Did Mr. Bennett do it?

Mr. Fleming: For the edification of the parliamentary assistant—because he is getting the habits of the minister; I think the minister and the parliamentary assistant, if I may say so, are a bad influence on each other—I may add that the Auditor General, in a comment on that statement of Mr. Mackenzie King, went on to say this:

> If civil servants, who recommend amounts to ministers, know they may be subjected to direct questioning by parliamentarians, they will put forward only such amounts as they can readily justify.

Mr. King's deliverances on the subject did not end there. As late as 1944 we find him delivering himself of similar sentiments. In that year I was not a member of the house, but it happens that—

Mr. Cruickshank: I am glad of that.

Mr. Fleming: Perhaps I am glad I was not too, if we are obliged to submit to clumsy methods such as this as an excuse for doing public business.

In 1944 apparently the house had considered the inadequacy of the methods of examining the estimates, and a committee was appointed to review the subject. The committee came back with some recommendations: and one of the recommendations, if you please, was that there should not be a committee on estimates. What did Mr. King do about the report of the committee? Listen to what Mr. King said in 1944. He was speaking of the suggestion in the report of the committee that estimates should be referred to standing or select committees. The committee condemned that suggestion because they said it struck at the root of ministerial responsibility. Here is what Mr. King said, as reported in *Hansard* of 1944, at page 1255:

> I cannot accept that as a correct statement. For years estimates have been referred to special committees at Westminster, and the parliament at Westminster is as careful in observing ministerial responsibility as any parliament in the world.

And then further down:

> I had hoped very much that the committee might have found it possible to endorse the reference to a committee, not of all estimates but at least of certain of them, while, of course, safeguarding the right of every hon. member to criticize the estimates in whole or in part when they came back to the house for discussion.

Apparently that has been forgotten by those who occupy the treasury benches.

Mr. Knowles: Mr. Bennett has not been in power since then.

Mr. Fleming: Why does the Minister of Finance stubbornly refuse to countenance the idea of having estimates referred to a committee or committees? Apparently the government fears that there will be too much independence on the part of government members in such a committee, that the members supporting the government will not be subject to the same close supervision on the part of the ministers and the party whip as obtains here in the house.

Mr. Cruickshank: Oh, baloney.

Mr. Fleming: I recognize at once and acknowledge the complete authority of the hon. member for Fraser Valley (Mr. Cruickshank) on the subject to which he has just referred.

Mr. Cruickshank: Do you accuse me for one minute of being told what to do?

Mr. Fleming: Now I propose to say a word on the subject of the way in which these estimates are prepared. The Minister of Finance does not do all his talking in the house. As a matter of fact, he has sometimes said more outside the house than he has inside. On March 7 he journeyed to Toronto and there he made a speech which is recorded in the *Globe and Mail* of March 8. I should like to quote a paragraph from the report.

Mr. Abbott: I hope it is correctly reported.

Mr. Fleming: The speech was made to a group of women, the University Women's Club, and the report reads in part as follows:

Mr. Abbott told the women his first step in its drafting—

That is, of the budget.

—was consideration of the nation's revenue position. This done, he requested and eventually got departmental estimates, which were invariably higher than their need.

That is a most interesting comment on the part of the minister as to the way in which these estimates begin their course.

I think it is worth recalling also that when the Auditor General made an appearance before the public accounts committee in 1949, he was questioned on this subject of a cushion in the estimates, and also about the desirability of having a detailed examination by members of the house of officials who have submitted those estimates—not insulated by some minister who holds whispered conferences with the official at the desk in front of him, and then raises his head and gives the house secondhand information. At page 42 of the proceedings of the standing committee on public accounts of 1949 we find this interesting passage. Mr. Watson Sellar says:

The Witness: In every vote a department puts in a cushion and the smaller the vote the bigger is the cushion, relatively speaking.

Mr. Cruickshank: There is a pretty small cushion in my riding.

I do not know whether that is the one he sits on, sir, or not. The report continues:

The Witness: When I was in the treasury I could run salary costs of a staff of 1,000 people at one per cent less than the amount which I asked from parliament because I would have during the year sufficient resignations, deaths, and casualties of one sort and another that I had a cushion actually within my total. Therefore, I say that when a vote is mainly a salary vote you do not need a cushion of more than one per cent or one and one-half per cent, if it is a fairly large vote. If you have a lot of small votes you are going to put in a cushion of five per cent to ten per cent and therefore you are voting more money than is actually needed. You can see that by the amounts which lapse. When we apply to the treasury board for estimates they ask us how much we spent last year and if we can show that we spent every cent we have an argument which is accepted in our favour. Therefore we may have spent money we did not actually need just because we had a margin.

It is no answer for the minister to say: Oh, well, if they are lapsed, these moneys are not spent because this enters into the preparation of the estimates and the planning of expenditures. I am recorded further down on the page as asking this question:

Mr. Fleming: May I ask Mr. Sellar a question about this matter of the cushion? Do you find it general practice in estimating to set up cushions on all items?

Mr. Croll: Of course it is.

He has been raised in this school which flourishes on the treasury benches. He knows that the practice of setting up cushions prevails. I continue with the quotation:

The Witness: We will never admit, sir, that we have a cushion in, but we all put cushions in.

By Mr. Fleming:

Q. To what extent do these cushions exist?—A. You can go by the lapsings. That is what you have to go by to see the real cushion. As a rule it will run anywhere from two per cent to five cent of the votes.

Q. Your recommendation with regard to showing in the estimates the actual expenditure for the last year is made because you feel you can eliminate those cushions, or reduce them?—A. No. There is nothing which scares civil servants more than to face criticism from the House of Commons, and if you have actual figures to criticize us upon we are more vulnerable than when you have got to pull figures out of the air.

Now, sir, there is some pretty good common sense there for hon. members to follow if they seriously want to tackle this problem of eliminating extravagance and unnecessary expenditures. Mr. Watson Sellar has made concrete proposals about the revamping of the form of the estimates, a drastic revamping of the form in order that hon. members may have before them more and more information when they are called upon to vote these moneys. I am sure it will not escape the knowledge of the house that what are called "details" in the estimates have no statutory effect whatsoever. They do not become part of the Appropriation Act. It is high time, sir, that there was a complete revamping of the form in which estimates are submitted to the house, and that the suggestions, the very useful suggestions, put forward by the Auditor General, not on one occasion only but on many occasions, should be adopted.

This subject was before the public accounts committee in 1947, and that committee made a recommendation to the house, which is to be found at page 752 of the *Journals* of the house for that year. This is part of the report of the committee received by the house on July 9, 1947. There are two recommendations only that I shall quote. First:

Your committee is also of the opinion that consideration should be given by the government to amending the Consolidated Revenue and Audit Act, 1931, in the light of Mr. Sellar's memorandum dated July 3, 1947, supplementing the oral evidence given by him on July 2.

And further:

Your committee is also of the opinion that the house should explore the desirability of establishing a standing committee on estimates.

That suggestion, sir, has been before the house on subsequent occasions, and the Minister of Finance has objected to it. What valid reason can there be for denying to the

house a sensible procedure which would give hon. members sitting on that committee an opportunity of conducting a detailed review of the estimates, and an examination of the officials who are responsible for the preparation of those estimates, so that they would be in a position to make proper reports to the house? It would save the time of the house, and it would enable the house, by a sensible procedure, to discharge a responsibility which rests upon it, but which, sir, is not discharged by this house today, and cannot be discharged as long as we are left to flounder around under an antiquated, clumsy, awkward procedure.

There is one further concrete suggestion that I put alongside those that I have already made this afternoon. It has to do with the subject of national development, because national development, as you will recall, sir, plays a leading part in the amendment put before the house by my leader. The reason for recommending this policy of national development is that not only will it increase the prosperity of the people, extend employment, help this country to meet the still serious problem of unemployment, and help the people to raise the standard of living, but it will also enable the country, in respect of its public business operated through parliament and the government, to sustain overhead.

An unusually heavy overhead of government has been built up in this country. We have such an overhead as would not have to be greatly increased if we had a substantial increase in population. For instance, when we are called upon to vote large amounts of money to meet the deficits on the Canadian National Railways, we know perfectly well that with a larger population and a higher volume of traffic moving there would be smaller deficits to bear, and overhead on that account would be reduced. There are other examples that one could cite.

There is the subject of national defence. If we had a substantial increase in population, a larger population helping to carry the load of overhead, the amount required for defence would not be correspondingly increased. These are things that represent today a relatively fixed overhead. An increase in population would not tend to increase it, but would help us who are here today to carry it. Therefore, sir, this subject of national development is one of first importance, both in relation to the prosperity of the country, and in enabling the country to carry the load of expenditures to the extent required to meet necessary government services.

There were some other subjects and other concrete proposals I had hoped to make to the house, but I see that my time is almost up, and I shall have to reserve them for the committee stage.

Sir, I shall conclude these remarks by saying that I hope the house will not sit back and simply be content to share that demonstration of fatalistic acceptance of the burden of taxation, the heavy load of expenditures, which has been exhibited on the part of the Minister of Finance. Surely, in a red-blooded country like this, inhabited by an intelligent people, we can muster in this house—if the government will not continue to sit on the lid and attempt to thwart the efforts of the house to devise a proper method of reviewing expenditures and grappling with this problem of high taxes and high expenditures—surely we can muster enough intelligence, given that opportunity, to cope with this problem, and to give some relief to the people of Canada.

Mr. Fournier (Maisonneuve-Rosemont): May I ask the hon. member for Eglinton (Mr. Fleming) a question before we have the pleasure of hearing the hon. member for Iles-de-la-Madeleine (Mr. Cannon)? I should like to ask the hon. gentleman whether he will be kind enough to inform this house as to the ways and means or the procedure used by the government of Ontario to discuss and vote the estimates.

Mr. Fleming: I have never been present in the legislature of Ontario when such a subject was before the house. I never sat in that legislature and therefore cannot give to my hon. friend that authoritative answer which alone, I know, would satisfy him.

Mr. Charles A. Cannon (Iles-de-la-Madeleine): Mr. Speaker, when I decided to speak this afternoon I did not know that I would have the pleasure of speaking after the hon. member for Eglinton (Mr. Fleming). Before continuing with the remarks that I had prepared I should like to say a few words about some of the things the hon. member has said. I was greatly amused and interested in the comparison he made between the budgets of 1949 and 1950.

I should like to remind him that one cannot reduce taxes every year as the government did in 1949. If that were done, pretty soon there would not be any taxes left. Let me tell my hon. friend that every day cannot be a Sunday. There are certain years when the government can afford to reduce taxes, there are other years when they cannot afford to do so. It depends upon the condition of the affairs of the country and the state of the national income; it

depends upon the expenditures the government has been obliged to make in the past but can afford to reduce.

It so happened that in 1949 there were many of the heavy expenditures that had resulted from the war that had reached the point where they could be reduced. The national income had reached a higher level and the government was able to make substantial reductions in taxation.

My hon. friend insinuated that those reductions were made simply because it was an election year. I assure him that he is being led into error by pure coincidence. It just so happened that the situation that year was such that it was possible to reduce taxes.

My hon. friend also said something about the expenditures being made on the house being renovated as a residence for the Prime Minister (Mr. St. Laurent). There we have another example of the kind of opposition we are having in the house. The opposition has been saying to us session after session, "We like what you are doing, we are for it, but we do not like the way you are doing it." That is all the criticism the opposition has been able to make. I submit that it is a mark in favour of the government and its policies in general that the only criticism the opposition is able to make is about methods and not about facts or principles. As to the amount being spent on the residence for the Prime Minister I would ask my hon. friend—I am sorry to see he is leaving—whether he has ever had to repair an old house.

Mr. Fleming: I must go to the public accounts committee.

Mr. Cannon: The hon. member can read my remarks in *Hansard*. I am sure there are many hon. members who have had personal experience with repairing an old house or who have friends who have had this experience. They know that it is practically impossible to tell what a job like that will cost when you start to do it. You must wait until it is finished to know the exact cost. This is due to the inherent nature of the work to be done. Something is pulled down and you find that something else has to be repaired. It is physically impossible to determine beforehand exactly how much a job like that is going to cost.

Mr. Knowles: Better to tear down the old house and build a new one.

Mr. Cannon: That was suggested during the debate in the house. No doubt it would have cost a lot more than to do the job now being done. Let me say to the house and particularly to the members of the opposition that they need not worry about the way the job is going to be done. The Department of Public Works and the Liberal government will do a good job on this as they have done on other things they have undertaken in the past.

The hon. member of Eglinton during the course of his remarks said that one of the reasons why the estimates were not submitted to a committee was that the government was afraid Liberal members might consider they had greater latitude in committee and might be more difficult to control there than they would be when speaking in the house. I am pleased to be able to say to the hon. member for Eglinton and to other members of the opposition that no Liberal member is censored by anybody as to what he is to say. He gets up and speaks and there is no control over what he wants to say. It was insinuated that our esteemed whip had something to do with it, but I can assure you, as the house probably knows, that the only thing the whip does is to decide who is going to speak and in what order the speeches will be made.

I simply wanted to develop a few notes that I made while the hon. member for Eglinton was speaking. I shall leave the substance of his speech to the minister concerned; I know he will know how to deal with it if he can find any substance in it.

As the member for Iles-de-la-Madeleine I want to take advantage of this opportunity to thank the government for the amounts that have been included in the estimates this year to cover work in my county. There are several suggestions that I intend to make later on. An amount has been included in the estimates for the building of a breakwater at Etang du Nord. Etang du Nord is on a bay on the north side of the island. This bay is frequented by a great number of fishermen but for some time fishing has been difficult because of changed conditions. This bay used to be sheltered from the north wind and seas by a natural breakwater formed by a cape. That cape has been slowly eaten away by the waves and for some years the fishermen have had no protection. The bay has been gradually filling up with sand and they are not able to bring in their boats as far as they used to. For some time they have been asking the government to build a breakwater to replace the natural one that disappeared. I am glad to be able to tell them that finally their requests have been recognized by this government as being well founded and that the necessary amount is included in the estimates to build this breakwater.

Another important item of public works for which the government has provided in the estimates is on Hospital bay. Hospital bay is also on the north side of the island and is exposed to the north wind and the high seas. There is a natural lagoon deep enough and large enough to provide shelter for the fishing boats, but unfortunately it is separated from the sea by a sandbar. An amount is included in the estimates this year to dig a channel through the sandbar. This channel will be lined with steel stanchions which will provide a permanent channel. The fishermen will then be able to get the necessary protection from the elements. This public work has been demanded for a great many years by the fishermen of my county and I am glad to be able to thank the government in their name for including this item in the estimates.

Unfortunately the people of my county will not be so pleased with the estimates of the Department of Transport. The Department of Transport is in charge of the building of airstrips. During the year the main means of transportation for passengers between the islands and the mainland is by air. Aircraft take off from Charlottetown twice a week for the islands, and there they land on a sandbar. While they have been landing on the sandbar for some years, the fact remains that Maritime Central Airways render a good service. They have excellent pilots, and I wish to congratulate them upon the service they are giving. However, we know it is better to land on a landing strip than to land on a sandbar.

Last year an amount of $25,000 was set aside to build a landing strip on Amherst island, and also $25,000 to build another landing strip on Grindstone island, which is the main island in the group. Grindstone and Amherst islands are the islands upon which the greater part of the population live. Last year the $25,000 was used in connection with the airstrip on Amherst island, and that work was completed, with the exception of the surfacing. An extra amount of $10,000 would be required for surfacing, but unfortunately that amount is not included in the estimates. It is very necessary that it should be spent this year, because the surface of the airstrip is soft, and when it rains, or when the weather is mild, the airstrip cannot be used. In the autumn and also in the spring of the year there are long periods of time when it is completely out of use.

Therefore I take this opportunity of asking the Minister of Transport (Mr. Chevrier), in the name of my electors, to see whether it would not be possible to find $10,000—I am told it would require that amount—to finish that airstrip.

There was also voted last year an amount for the airstrip at Grindstone island. Because of difficulties with the municipal corporation in connection with the site of the airstrip, the contract was not signed and the money was not spent. As all hon. members know, after March 31, that money was lost, so far as its expenditure was concerned. I am told now however that the municipality has found another location which would be satisfactory to them. They are now ready to sign an agreement, and I would ask that this $25,000 be included in the estimates for this year. Grindstone island is the main island, and it would be of great help to my electors if we could have an airstrip at that point. If that were done we would not have to continue to make landings on the sandbar to which I have already referred.

I wish also to thank the government for having asked me to serve on the joint committee of the Senate and the House of Commons on old age security. I realize this is an important committee. It is important to all the electors in Canada, and particularly to those in my county. Eighty-five per cent of those people are fishermen, and are engaged in a difficult and hazardous profession. They cannot continue fishing in their old age; and as a certain number of them are invalids social security is important to them. Therefore I thank the government for having placed me on the committee, and I assure my electors that I shall do my best to act in their interests and to see that social security is developed as it should be.

In that connection I should like to say a word about pensions for invalids. In this country we have no pensions for invalids. In the literature I have read in connection with my work in the committee on old age security I have found that in several other countries they have pensions for invalids, people who are unable to earn their own living. Those pensions are tied up with old age security programs. I suggest the time has come when this country might also give its attention to the question of giving pensions to invalids. We give pensions to the blind, a procedure of which I am very much in favour. I am sure however that every hon. member knows that in every constituency there are a certain number of invalids who are just as incapable of earning a living as are the blind people. I believe we should extend the principle, and see what can be done by way of social security for these poor invalids.

A resolution now stands on the order paper in the name of the hon. member for Terrebonne (Mr. Bertrand) which deserves the support of hon. members who have similar problems in their constituencies. It should be impressed upon the government that the time has now come to do something about giving pensions to invalids.

May I take this opportunity also to congratulate the government upon the good work that has been done for the fishermen and the fishing industry generally by the fisheries prices support board. I have had occasion to deal with that board several times since coming to the House of Commons, and I must say I have always found them most helpful and co-operative. I believe they are doing excellent work within the scope of the powers given to them. I submit however that the scope of their powers is not wide enough.

The fishing industry in our country has become very important indeed, particularly in view of the fact that we now have Newfoundland as our tenth province. At least seven provinces are vitally interested in the fishing industry. There are, of course, Newfoundland, the three maritime provinces, Quebec, also Manitoba because of the extensive fishing industry in lake Winnipeg, and the province of British Columbia. When seven provinces in our country are vitally interested in the fishing industry, then I say the government ought to do as much for that industry, on a smaller scale of course, as it does for agriculture. The organizations having to do and dealing with fishing ought to have the same scope of action as those which deal with agriculture.

We find in the statutes of 1944-1945 the Agricultural Prices Support Act. In the same statutes we find the Fisheries Prices Support Act. These two statutes are practically identical. The powers of the boards as set out in them are, briefly, to prescribe from time to time, with the approval of the governor in council, prices at which the board may purchase agricultural or fisheries products on the market. The Agricultural Prices Support Act then sets out this further power:

> To purchase at such prices any agricultural product, if such product, on inspection, meets standards as to grade and quality—

And so on. The corresponding statute dealing with fisheries contains a similar provision. The statute dealing with agriculture continues:

> To sell or otherwise dispose of any agricultural product purchased by the board.

Then there is in both statutes a provision to make up the deficiency between prices set by the boards, as the prices the producers should receive, and those prices they actually do receive, both for agricultural and fisheries products. The provisions in the Agricultural Prices Support Act continue:

> To package, process, store, ship, transport, export or insure any agricultural product.

Then there is the provision permitting the board to enter into contracts, and this further provision:

> To purchase at market or contract prices and export any agricultural product under any contract between His Majesty in right of Canada and any other government or agency thereof and to do all things necessarily incidental thereto.

And there is a similar provision concerning fisheries. These two statutes were passed in 1944. Evidently in 1947 the government felt it had not gone far enough in connection with agricultural products, with the result that it passed in that year the Agricultural Products Act. The long title is "An Act to Provide for the Sale and Export of Agricultural Products". This statute gives the minister, subject to regulations made by the governor in council, authority to—

> (a) sell or export agricultural products to the government of any country or any agency thereof pursuant to any agreement made by the government of Canada with the government of such country or with such agency and for those purposes may purchase agricultural products and make such arrangements for the purchase, sale or export of agricultural products as he considers necessary or desirable;
>
> (b) on behalf of the government of any country or any agency thereof purchase or negotiate contracts for the purchase of agricultural products;
>
> (c) by order require any person—

That is not important.

> (d) enter into contracts for the storing or processing of agricultural products.

We all know that under the authority of that statute the government has made some very good contracts with other countries for the sale of agricultural products, which have been very helpful to our farmers. I believe we should have something similar for fisheries products. I give as an example a body that was organized and has been in existence for some time in Newfoundland; that is, the Newfoundland Associated Fish Exporters Limited. This is a central body that markets all the fish caught in Newfoundland. It has done a very good job in finding and keeping markets for the fishermen of that province. Now that Newfoundland has become a part of Canada I suggest we should have a statute similar to the one I just read, which would enable the government to set up a central marketing agency for all fisheries products including those of Newfoundland. In view of the importance of the fishing industry to this country, as I have outlined it, I believe the two industries should be placed on an equal

footing. When the need arises the government should be in a position to do for the fishing industry what it now can do for the industry of agriculture.

One other subject that interests me and my electors is unemployment insurance. Fishermen are excepted under the act at the present time. Recently the government found it possible to extend the Unemployment Insurance Act to lumbermen, and I suggest that attention should be given to the possibility of also extending it to fishermen. As a first step I suggest it might be extended to fishermen's aides. Most of these people are employed on a salary basis, and that being so I submit there is no reason why they should not be permitted to contribute to the fund and draw unemployment insurance just like any other worker in Canada. I understand that in the case of fishermen not employed by anyone, who are their own masters, there are certain administrative difficulties which would make it necessary to have the act extensively amended, but in the case of fishermen's helpers who are on salary I submit that the unemployment insurance commission already has all the powers necessary. I draw this point to the attention of the government in the hope that it may be possible to do something about it.

This is about all I have to say, Mr. Speaker. In conclusion I should like to reiterate the thanks of the electors of my county for the amount that has been placed in the estimates for their benefit.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, on various occasions in this house I have spoken on the subject of the Hudson bay route, and have documented my remarks with statistics to the best of my ability. I expected that the hon. member for Churchill (Mr. Weaver) would have had a word to say on this subject the other night, because I am sure that, with all the members from the prairies, he is in favour of the development of that route. I can sympathize with the hon. member, however, in that possibly his speech was already prepared and he did not want to waste all that time and material. I have been in the same position myself. However, I thought some of us coming from that part of the country should say a word in favour of this route, if not in particular at least in general terms.

The date on which the hon. member spoke was of some significance in connection with this route, because that day a delegation from the Hudson bay route association visited this city and interviewed the government. I understand they were well and favourably received by the Prime Minister (Mr. St. Laurent) himself, and I hope that fact will augur well for the success of the association and the promotion of their cause. That delegation consisted of the president, Mr. W. G. Streeton; Mr. R. H. McNeil, an old-time fighter in the cause of the Hudson bay route; Mr. J. S. Woodward, for many years editor of the *Star-Phoenix* of Saskatoon, my own town; and Mr. W. J. Hansen, who represents the trade services of the Saskatchewan government. These gentlemen presented a brief with which Mr. Frank Eliason, the energetic secretary of the association, no doubt had a good deal to do. They met the western members of our party, as I am quite sure they met the western members of the other parties, and I am equally sure they were well received. Before coming down here they did some preparatory work. They sent to every gentleman in the Senate and every member of this house a sample of their literature, a copy of which I hold in my hand, in the form of the brief presented to the Prime Minister, to which I have already referred.

My interest in this subject, of course, is connected up with my interest in my own city and northern Saskatchewan. I say "northern Saskatchewan" having in mind that part of the province used for agricultural purposes, though actually Saskatoon is south of the centre line of the province itself. In Saskatoon we have a great centre of the grain trade, a great centre for distribution of goods to farming districts. There we have a government elevator with a capacity of 5,500,000 bushels, which stands as a monument to the generosity of some former government. No doubt it was built there with good intention but the word "monument" to describe it is apt since at the moment it is hardly being used at all. That situation, I hope, will remedy itself. We realize, of course, that during the war the tremendous demand for wheat overseas together with the difficulty of getting wheat in position to ship from Churchill at the particular time of year that port is open was one of the major problems connected with the use of that route. From now on, if the prophets are correct, there will be more wheat in storage in this country. If we are going to store wheat and pay for such storage over any period of time, then I should like to make a plea for some of the wheat to be stored in that particular elevator instead of storing it in the east.

I may say a word to remind the house again, that one of our industries in the city of Saskatoon, an oil processing plant, was shut down for a number of weeks last summer because the wheat board persisted in sending all its flax for storage to eastern and central Canada. Consequently, there was a shortage in the west. No doubt the Minister of Trade and Commerce (Mr. Howe) would

disclaim any responsibility for that. As a matter of fact, in reply to my question he said that if any mill wanted to have flax it was up to that concern to get it in the open market. That is not what I would consider a proper answer to be given by the minister whose function it is to keep a watch on the matter of trade and commerce in this country. However, I did not intend to say too much about that, but I did want to say a word about the Hudson bay route itself.

I wish some of the members in this house, and in particular eastern Canadians in general, could take a trip into that northern country. In recent years an excursion has been run to the port of Churchill under the auspices of the provincial government of Saskatchewan. If some of my hon. friends would take that trip this summer, they would be well rewarded. May I say in passing that I ponder sometimes why my friends in eastern Canada do not travel with the same facility as do my friends in western Canada. It is noticeable that, for some reason, the eastern people stay at home. I do not know whether it has any relation to the fact that, in western Canada, we are only in the second generation of pioneers. We are people who have already made one move not so very long ago, and we seem ready to make another. As I say, this has nothing to do with my subject, but I think it would be good for the unity of Canada if people in the various parts of this dominion would visit other parts of Canada to see how the rest of the people live.

Mr. Sinclair: I agree, but they would all stay in British Columbia.

Mr. Knight: My friend is bound to interrupt, even when someone is making a speech which is not controversial. I recommend to the gentleman to whom the member for Fraser Valley (Mr. Cruickshank) refers as the junior from Capilano that he cultivate the habit of keeping quiet when someone is making a speech, unless he is definitely challenging the material in that speech.

Mr. Sinclair: I was supporting you.

Mr. Knight: I do not know what the member was doing, but I would suggest, sir, that you keep the hon. gentleman quiet until I have finished, at which time he can make a speech of his own.

I was mentioning these excursions to Churchill and saying that some of the eastern Canadians would be amazed at some of the things they would see. I was amazed at some of the things I saw. One may see, as I did, an Eskimo child chewing a piece of frozen fish while lying on the doorstep of one of the most modern stores in western Canada, containing refrigerators and all sorts of electrical equipment. Perhaps if one is a sportsman, one may be interested in ptarmigan or caribou, or may like to see the white whales playing in the harbour which, I understand, already form the basis of a small industry. As a strange contradiction one can see the finest port in the world, I mean from the point of view of a natural shelter as well as from the point of view of the artificial things, the man-made equipment that has been put there for handling grain.

If one crosses the harbour to the other shore, one finds the old Prince of Wales fort. My French-speaking confrères would be particularly interested in that fort if they would read its history. On the day I was there we were fortunate enough to be able to cross over on a little tug owned by the Department of Transport. I am afraid that the Department of Transport did not know we were doing that, because I understand the department has now prohibited the tug from carrying passengers. I asked a question about it, and received that answer. Personally, I think it is a reasonable attitude, because one could not expect a tug to be run in passenger service unless there were adequate provisions for safety, adequate insurance and so forth. Perhaps the member for Churchill (Mr. Weaver) might exercise his good offices to persuade the government that it would be worth while to have some sort of vessel there to perform that particular service. It would add greatly to the pleasure of the tourists who go up there. I have found that one can always make oneself popular in this house by telling someone how we can get United States dollars. I do not put such great faith in dollars as some of my hon. friends, but I may tell you that some people from the United States make an excursion up there every year, and do leave a considerable amount of that commodity behind. So much for some of the things one may see.

The romance of discovery, I think, has disappeared from western Canada. When I was a boy and went out to homestead in western Canada, the cry was, "Go west, young man." We went west in that spirit of adventure to which I have alluded. The western lands have now been explored and exploited; there is no longer any unexplored part of the west. The future belongs to the north. When I say the future belongs to the north, I am thinking of various things. I am thinking of the natural resources, some of them known and I am sure many unknown. I am thinking that in that vast country there must be more than one Flin Flon, with its variety of minerals. I am thinking of the new oil

fields, and wondering if they do not extend somewhat into that northern country. I am thinking of the vast areas of land. May I say that in many of the countries from which my friends have come they have seen much worse land used for agricultural purposes than some of the vast expanses one finds contiguous to The Pas and along parts of the Hudson Bay railway, notably perhaps around Wabowden. Yes, there is the great north still to be explored, and there is a great outlet for that adventurous spirit, which was evidenced in opening up the western plains.

This question, sir, is not just a matter of the encouragement of the Hudson bay route as such, although I am sure we are interested in that. But when it comes to the whole exploration and opening up of these vast spaces in that new empire to the north, we find that the two questions are interdependent. Population is required in that north country if the Hudson bay route is ever to be a success. Population is needed in that country if it is ever to be explored and settled as it should be. There are a great number of people needed for the handling of the grain at certain times at the port of Churchill, and as my hon. friend knows that is a seasonal matter. Up to the present, grain handlers, dockers, loaders of ships—I do not know what the technical term is—have had to be brought in from other ports such as Montreal. If we had industry and population in those northern areas we would have a skilled body of personnel living there who could be used year by year when the proper shipping season comes around, without the expense of shipping them in from eastern Canada. We need that population to develop those thousands of acres of land to which I have made reference.

There is another question about the country and that is the strategic importance of this particular route. That point, of course, has been developed. It is an unfortunate thing that we must think about the necessity for defence, but indeed we must. The strategic importance of that particular route has been coming to our attention more and more in the last number of years. In a former speech I proposed that the government, in carrying out naval operations, might well find out a good deal about the geography and meteorology of Churchill if they would send some of their ships up into those waters, where they could perform their naval manœuvres. I am glad to say that was done though to a small extent last summer. That raises the point of whether one of the necessities at Churchill now is not some sort of naval station which could be a base for such operations.

One of the drawbacks, by the way, in building up population—this is a small point, but I think I will mention it here as I go along—is that it is impossible to own land in the townsite of Churchill. I was talking to some of the townspeople up there, particularly to one young man and his wife who were building their own house. They were greatly distressed that they were not able to own the land upon which their house was being built. It appears that one can get only a lease for one year. Those who have had anything to do with mortgage companies and real estate people will know that that is not a good basis upon which to raise a loan if you want to build yourself a house.

As I said, from time to time in the last five years I have made a speech or two in this house upon this Hudson bay route. I did so in 1945, in 1947, and in 1949, and I again made a short reference to it when the supplementary estimates were being considered in March of this year. I am not going to cover today the arguments which I put forward in those speeches. They were documented. The figures are there and anyone who is interested in the subject can look them up. My intention was merely to give a few general ideas.

There is no doubt in my mind that the greater use of this route and port would be beneficial to the farmers contiguous to it. From statistics I know that it is beneficial to the importers of goods who use that port as an importing point. I know that it was a benefit to Britain in buying wheat through that port. At the moment there is some controversy as to whom there is the greater benefit and I think it is largely due to the ambiguity or, shall I say, the vagueness of the statement made by the Minister of Trade and Commerce (Mr. Howe) some time ago. There is some doubt as to whether the western farmer or the importing countries will benefit the more from the making of the port of Churchill into a basing point for the sale of wheat, a point which would then be on equality in that respect with Montreal and Vancouver. I do not want to go into that particular argument. It will be settled in due course. I know, however, that there is a benefit and I know that someone gets it. There can be no doubt about that.

For years there has been a deficit in the operation of this port. Those of us who are interested in it and who, I think, may say that we know something about it, believe that, in so far as any deficit is detrimental to the taxpayers of this country—and any deficit must be—such deficit could be wiped out entirely if that port were given its proper use. We have worked it out on the basis of statistics and the expert opinion—which includes

that of the manager of the port, officials of the wheat pool, officials of the railways and the Minister of Transport (Mr. Chevrier)—that if we could once put fifteen million bushels of wheat through that port there would in that particular year be no deficit in connection with the port or with the railway which serves it. I want to put that statement on the record once more. To my eastern friends who at times, through a lack of knowledge about the subject, are inclined to look upon this particular project as a white elephant, I also want to say that this railroad was built not with money out of the pockets of the taxpayers of Canada but with money which was procured from the sale of western land.

As I have said, the port has never been fully used. If everybody were as anxious to see the success of that port as we in that part of the country are, and if everyone would co-operate, I believe that not merely fifteen million bushels but from twenty million to twenty-five million bushels of wheat could be put through that port in any given year. As I see it, its success depends upon the good will of four particular government agencies which I would name as the ministry of transport, the Canadian National Railways, the harbours board and the wheat board. As I say, if these four agencies were willing, anxious and enthusiastic, that port could be made a success.

I shall now mention one or two of the difficulties which the port has had to fight in the past. If you talk to westerners you will find the distinct opinion—as to whether it is justified I shall make no assertion here today—that one of the things that work against the success of that road is that there are certain influences in the east here which, mistakenly I think, are opposed to it through the idea that it would interfere with their particular interests. As to the five and a half million bushels that were put through there last year, or the fifteen million bushels which would be necessary to make it pay its way; or the twenty million bushels which I would advocate and which I think would make it possible to operate at a profit, may I say that after all even the twenty million bushels are only a drop in the bucket having regard to the amount of wheat that is handled for shipment out of this country through the major ports. Surely the great ports of Montreal, Halifax and Vancouver should not grudge to us prairie people the use of our own port, which is at our back door, to the extent of such a small percentage of any year's wheat crop.

I mention that as one of the difficulties. Next I shall mention the question of insurance. There has always been a prejudice against this route. There has always been a lack of investigation about the possibility of that harbour and that route. The insurance companies, who were not particularly interested in the route in any case—they would get the business whether the wheat went through Montreal or through the port of Churchill—have, I think, always been prejudiced against that road. It is true that some adjustment has been made that has been welcomed.

The insurance period has been inflexible. It has been a period of only 65 days. I have never had anybody answer this question, but I have put it on several occasions. Why should that period be an inflexible one? The weather is not inflexible. The break-up or the freeze-up in our country comes at different times of different years. Now that we have meteorological stations in the north, now that we have people on the ground, could we not get information from time to time on which flexible rather than inflexible periods could be set?

I had lunch with a captain of a Dalgleish boat in the port of Churchill a couple of years ago. He told me that it seemed rather ridiculous to him that on a beautiful sunny day, when the sea was as calm as glass, for 48 hours he had to stay outside the limits with his ship because he dared not cross that line before the date at which he could get the protection given by insurance. Practically every captain that comes in there says the same thing. Furthermore, practically every captain that comes in there speaks in favour of the port as compared with, for instance, the port of Montreal or the port of Halifax.

I shall mention one thing which comes in a smaller category. I shall not go into it. I refer to this business of diversion charges. They are one of the drawbacks connected with the use of that port. I suppose that hon. members generally will not be interested in having a definition of diversion charges. My own definition for them is money paid for services not rendered. I think I shall let it go at that. If anyone here is curious he may look the matter up.

These are some of the things I wanted to say. There is much more that could be said. One could talk for a week on this particular subject.

I should like to put before the house the main conclusion of the brief which was presented by the association of which I spoke. This brief was presented on Monday last to the Prime Minister. Before I do so I should like to mention a man up in the north country, namely, the Rev. Father Ferron. It was my privilege and pleasure to hear him speak on

the whole subject of Hudson bay and the north country in the city of Prince Albert some time ago. He is a most interesting speaker, a man who is intimately acquainted with everything in the north country, and whose services have been used by this government in various capacities, particularly in connection with giving advice on matters related to the country north of Churchill. His talk was rather in story form. If you look through it you will find that its main theme is the theme of the brief which was presented the other day by the delegates representing the Hudson Bay association. I am going to quote a line or two from Father Ferron's address, as recorded in this little pamphlet, at a meeting in the city hall in Prince Albert on February 7, 1950. I shall quote here and there at random the things which I think may be of some interest. They are as follows:

> The drastic decision of the underwriters allows ships to be along the wharf at Churchill approximately from the eighth of August until the tenth of October, both dates inclusive, which is a total of sixty-five days. Of these sixty-five days, last summer, there were twenty days when there was not one single grain ship in the harbour.

Then further down on the same page:

> To render conditions worse, out of the remaining forty-five days, there were twenty-seven when there was but a single ship in the harbour, which left only eighteen days out of the sixty-five when the present harbour worked at anywhere near capacity;

These are the facts on which I have based what I have already said in the matter of this port not being used to its full capacity even during the time covered by insurance. We firmly believe that at least three weeks could be added to the length of this particular insurance season, because there are three insurance seasons at Churchill. There is the natural one, the period during which ships are physically able to sail. Then there is the captains insurance period, a little longer than the actual one, a little shorter than the natural one; then there is the insurance one which gets very small indeed. Father Ferron's conclusion is this:

> I would strongly suggest that an advisory board be formed to deal with these problems. The different departments involved in our federal capital; the provincial governments interested; the wheat pool; and your association, should all have representatives on such a board. Until such time as the different efforts are consolidated through the medium of such a board, the undertaking cannot succeed. With all the dexterity possible, this board or commission should be set up. Such is our democratic way of proceeding based on common sense and our common love of our great country of Canada.

As a comment on that, and following along the same idea, the delegation which presented its case to the Prime Minister the other day said this:

> Our submissions take the form of a respectful request that the dominion government give consideration to:
>
> 1. The immediate appointment of a board or council under the Department of Trade and Commerce to deal with the multitude of problems surrounding the developments of the port of Churchill and the areas and railway referred to above.
>
> These areas with Churchill as their natural outlet might very well, in the near future, prove to be the nucleus of a separate northern province in the scheme of Canadian confederation.
>
> 2. That if and when such a board or council be appointed, the membership of the board be drawn from various organizations such as Canadian army, navy, and air force, commercial interests, farmers' organizations, and the Hudson Bay route association.
>
> 3. That the duties of such a board be to keep such government departments as may be concerned informed of improvements and changes required from time to time, in order to ensure the greatest possible development of the vast northland and the utmost utilization of the harbour at the port of Churchill.

To that, sir, I would add with my own voice a plea in the same direction.

Mr. F. G. Robertson (Northumberland, Ont.): In joining in this budget address, I would wish first of all to congratulate the Minister of Finance on his very able review of our national economy in his budget speech. The Minister of Finance has already presented four budgets in this house. He has proven not only that he has a knowledge of finance but that he is well acquainted with the economic situation in Canada. I believe that he has the confidence of the people of Canada, and I hope that he will continue to bring down such satisfactory budgets in the future.

This budget was well received by the people of Canada. It represented a continuation of the sound financial policy which was undertaken by the government during the war. During the war the government adopted a "pay as you go" policy. Taxes were kept high, and as a result the threat of inflation was largely controlled.

During the war we had a far-sighted program of price control, and as a result the transition from war to peace was uneventful. Price controls have been removed, without any great disruption of our national economy. Today we are approaching a more normal period, but we are still enjoying great prosperity in Canada. Of course, no matter what our financial policies may be, no matter how great our prosperity may be, we cannot please the members of the Conservative opposition. Last year tax reductions amounting to $323 million were announced by the Minister of Finance (Mr. Abbott) but the members of the opposition called it bribery. Then in the next

breath they said that the bribe was not big enough. Today they say that this is a defeatist budget, but I consider it was a most able presentation of the present situation in Canada. I can see no signs of defeatism in the budget; rather, to me it indicated optimism through and through.

When we consider the fortunes of our friends of the opposition during the last fifteen years, their successes in the last election and their prospects for the future, we must agree that it does not tend toward optimism. But I would ask them not to link the fortunes of our country with the fortunes of their political party. For years we have been hearing this cry of despair from the members of that group, and yet prosperity in Canada continues. The financial critic of the opposition criticized the government for not developing our natural resources, and then in the next breath he spoke of how we were obtaining $100 million of scarce United States dollars through the development of Alberta oil—just another example of the inconsistency of members of the opposition.

I am sure that all hon. members of the house favour the development of our natural resources, but we want that development to take into consideration the ability of our economy to absorb it. We do not want to be wasteful of our resources because we shall need them in the years to come.

I listened this afternoon while the hon. member for Eglinton (Mr. Fleming) covered a great many subjects. He questioned what he referred to as the billion dollar philosophy of this government. Does he not realize that Canada is expanding rapidly and that the running of our country demands huge expenditures? We must talk in billions. That is one example of the great prosperity of our country. Evidently those figures overtax the hon. member for Eglinton. I judged that to be the case by his remarks on the budget.

I believe Canada's economy is in a strong position and I base that statement on certain examples I shall give. In the first place our capital investment is high, being five per cent over the record of 1949. There has been a marked improvement in our foreign reserves. From a low of $401 million in 1947 they have increased to $1,200 million at the end of March. Wages are still high. It is true we still have some unemployment, but I am prepared to accept the statement of the Minister of Labour (Mr. Mitchell) that this condition will soon be improved. If it is not, then I believe that all levels of government, federal, provincial and municipal, should join together in a program to alleviate this condition. But for the present I am prepared to accept the word of the Minister of Labour that this condition will soon be satisfactorily dealt with.

While our trade is not at the level of a few months ago, it is still satisfactory. We know the British people are short of dollars and cannot buy what they might like to buy from us if they had sufficient dollars. The Minister of Finance has pointed out that our exports to the United States have increased more than our exports to the United Kingdom have decreased. Taking the over-all picture I think we can conclude that our trade position is not too unsatisfactory.

We have a balanced budget and in these days that is an outstanding achievement. I ask hon. members to compare our budget with the budgets of the United States. For four years we have had balanced budgets while in the United States there has been a huge deficit each year. I understand that at this time it is in the nature of $7,000 million. Surely when we compare our economy with the economy of the United States there is no reason to conclude that conditions in Canada are unsatisfactory. I would point to the great reduction in our national debt which has taken place during the past four years when I believe the national debt of our country was reduced by approximately $2,000 million. That is an indication of how stable our economy is today.

I should like to take advantage of this opportunity to tell the house something of my own county of Northumberland. As many hon. members know, Northumberland county lies in central Ontario on the north shore of lake Ontario. Its western boundary is almost at the town of Port Hope and it extends eastward to the boundary of the town of Trenton. Going north the western border reaches Rice lake, and then the boundary of the constituency travels along the southern shore of Rice lake and the Trent canal to and beyond the town of Campbellford. From that point it takes a southerly direction to the town of Trenton.

Northumberland county is noted for the beauty of its towns and countryside, for the fertility of its fields and for the prosperity and high qualities of its citizens. Many hon. members who have driven through Northumberland county have mentioned the many attributes that it possesses. At the last redistribution the township of Monaghan South was added to the county of Northumberland. Previous to that time it had been in the constituency of Peterborough West. I am sure that all citizens of the county of Northumberland welcomed the addition to the township of Monaghan South.

The basic industry in Northumberland county is agriculture. I would say that approximately one-half the citizens of Northumberland county are engaged in agriculture. Mixed farming predominates in Northumberland county, but dairying is an important branch of agriculture. We have many fine dairy herds in the county of Northumberland. We ship a great quantity of fresh milk to Toronto and there is large butter production. I have been told that Seymour township, which lies in the northeast corner of the county of Northumberland, is the largest producer of cheese of any township in Canada.

Our herds have been tuberculosis tested and we are an approved area. It is therefore possible for our farmers to ship cattle to the United States and receive very high prices for them. We have fine beef herds in the county of Northumberland. I have heard certain hon. members state that their constituencies have the finest beef herds in the Dominion of Canada, but I know that they have never tasted a steak from one of the beef cattle from Northumberland county.

Northumberland county produces a great many hogs; I believe it is one of the largest producers of hogs in Ontario. Poultry is an important industry in our county, not only as a branch of agriculture but also as a commercial proposition. We are proud of the fruit and vegetable production in Northumberland county. A great many canning crops such as peas, tomatoes, corn, et cetera, are produced and there are many canning factories distributed over Northumberland county.

I believe we produce the finest apples in the Dominion of Canada. I think the McIntosh and Northern Spy apples grown in Northumberland county can outdo even the wonderful apples of the Fraser valley.

We have two large towns in Northumberland. Cobourg, the largest of these, is my home town, and one of which I am very proud. It is considered to be one of the most beautiful towns in Ontario and is, in fact, one of the oldest in the whole of Canada. I have been told, and American tourists have said for many years, that we in Cobourg have the finest ozone to be found anywhere on the whole of the North American continent. And if anyone asks me what I mean by that, I would say it is my understanding that it means the health-giving properties of the atmosphere.

The second largest town in Northumberland is Campbellford, a very beautiful town lying across the Trent river in the northeastern part of the county. It is surrounded by Seymour township which, I believe, is one of the most productive agricultural communities in Ontario.

In my county we have many diversified industries. I believe we have the largest plastics company in the whole of Canada, located at Cobourg. We have several tanneries, some foundries, gun manufacturing industries, to mention but a few of them. All these industries are successful and lend much stability to Northumberland county. We have developed there a very thriving tourist trade. Being situated on lake Ontario, and having Rice lake and its connecting waters to the north, we have a perfect haven for American tourists in Canada. Each year they come in increasing numbers to enjoy the great beauties of our county.

Northumberland county has many service clubs, each of which is carrying on its own particular work of social service in the community. They take great interest in all community affairs, and the life of the county is made much richer by the activities of these clubs.

Prominent among the clubs in Cobourg is the Cobourg branch of the Canadian federation of business and professional women's clubs. As may be known to some hon. members, the business and professional women's clubs are organized internationally in nineteen countries of the world, having local groups within the United States and throughout Canada.

Among the objectives of this organization are the following: (1) to promote the interests of business and professional women throughout Canada; (2) to encourage a spirit of cooperation among the business and professional women in Canada; and (3) to extend occupational opportunities to business and professional women through industrial, scientific and vocational activities.

The Cobourg branch was formed in 1946 and has a present membership of 115. It was honoured by being made host for the second provincial conference of clubs which was held in Cobourg in October of 1948. Within the town the club has been very interested in civic affairs and matters of government generally. There is a standing committee of the club known as a municipal research committee, whose duty it is to keep members informed on municipal affairs within the local municipality. Of interest to hon. members of the house will be the activities of this club in connection with certain of its meetings. On April 16, 1947, the club sponsored a meeting of industry and labour in the town of Cobourg, and obtained the attendance of Mr. R. A. Wilson, field representative of

the federal Department of Labour. This meeting was widely attended and, from the point of view of the Department of Labour, was such a success in fostering better understanding and co-operation between the groups that on March 6 of this year, at the request of the officials of that department, a second similar meeting was arranged.

Of interest to members of the house will be the work of that club in assisting new Canadians. There is a committee of the club whose work it is to advise and help new Canadians resident in Cobourg. On coming to the town the chairman of the committee gets in touch with these girls, and the committee stands ready to assist in any problem the girls might have. Members of the club are to be congratulated upon their accomplishments and their influence in fostering and developing a better and broader sense of Canadianism.

In the county of Northumberland, as in other parts of Canada, organized labour plays its full part. We have in Cobourg an allied labour council composed of representatives of all the unions in the town, which meet regularly and discuss conditions as they exist in Cobourg. I believe these men compose a fine body of citizens. They are ever zealous of the true rights of labour, but still they also know their responsibilities to the community. I am glad to say that the splendid labour relations which have existed in Canada are found in my own county of Northumberland. I think all hon. members will agree that the Minister of Labour (Mr. Mitchell) has done much to bring about this better understanding between the various groups in Canada.

I would also bring to the attention of the house the fact that on the outskirts of Cobourg we have the most noted exponent of ceramic art in Canada. He is Mr. Jarko Zavi, who came from Czechoslovakia to Canada just before the opening of the last war. May I read to the house an article which tells something of this art:

> In 1939, after the German army had marched into Prague, Jarko Zavi, ceramic artist, left his native Czechoslovakia, and came to Canada. A few years ago ceramic art in Canada was practically unknown and non-existent. People had become aware that Canada had her own painters, poets, composers and sculptors. In the home, however, most of the ceramic objects were ornaments from foreign countries which expressed the character of those countries, and about which very few Canadians knew anything . . . The war has brought many European artists and craftsmen to Canada. Because Canada has not yet a history in this art, these artists should be encouraged to transfer their knowledge to young Canadians. I do not see any reason why this cannot be done, for Canada is rich in material for ceramic modelling. We have our harvesters, miners, lumberjacks, trappers, fishermen, Eskimos and Indians; we have horses, buffalo, Rocky Mountain goats, deer, wild geese. These are bases from which to guide our imagination. We do not have to try to force ourselves to model a Chinese figure or to make an Egyptian jug on the potter's wheel.

We in the county of Northumberland are proud of Mr. Jarko Zavi, and welcome him to our county.

I note that social security payments have been increased by $62 million to a total of $457 million this year. These sums are spent for old age pensions, family allowances and unemployment insurance. I for one am happy to support such a vast expenditure. Old age pensions and unemployment insurance give a new sense of security to the people of Canada. Family allowances give to the children of Canada a better opportunity to enjoy the full benefits of life in Canada. In my opinion the greatest single achievement of the Liberal party has been its social security program. How fortunate it has been for Canada that the Liberal party has had power for so long, in order to fully develop this program. I often wonder how much of our present program would have been developed had our Conservative friends been in power. We know the inconsistencies of the supporters of the Conservative party with regard to social security.

Mr. Ross (Souris): Page the hon. member for Winnipeg South (Mr. Mutch).

Mr. Robertson: You know all about it, now. In this house we hear impassioned pleas from members of the Conservative party for social security; yet at the same time we read articles in the leading Conservative newspaper in Ontario criticizing this government for some of its social security plans and advising against any further extension of that program. Had our friends of the C.C.F. been in power I do not know what would have happened. Probably they would have rushed ahead with some program without properly laying the foundation, without due consideration for its cost, and I am sure the whole program would have ended in confusion. I believe that is one thing we cannot disregard, for there is nothing more important to the success of our social security program than that we have public support for it.

Mr. Knowles: The public are away ahead of you.

Mr. Robertson: That is what you think. I am confident the government made a wise decision in setting up the special committee on old age security. This study should reveal much, and I am sure the committee will be able to offer the government a great deal of help in formulating a policy to be followed in future. I should like to re-echo what was

said by the Minister of National Health and Welfare (Mr. Martin) in presenting that motion: we aim to devise the simplest, most effective and most humane system of social security it is possible for us to develop, having in mind our over-all social security responsibilities, other government responsibilities, and the ability of the country to pay. I sincerely believe that the production of this country and its vast resources permit a great liberalization of our old age security program. Great as have been the social benefits, there is an added value which I am sure is well recognized by all hon. members. The huge sums of money paid out under this program are a great stimulus to the business activity of the nation. This money invariably goes into immediate circulation and plays an important part in maintaining our economy, and I believe it is a bulwark against any possible recession in future.

I support wholeheartedly the $40 million being spent on our health program. That program has been in existence for only two years, but already it has accomplished much. It has placed Canada in the lead among the nations of the world in health services. By providing federal funds the government, in co-operation with the provinces, has stimulated research, provided much needed hospital beds, extended mental health care and cancer and tuberculosis control, and launched a war against arthritis and rheumatism, to mention just a few of the accomplishments under this program. We know that already the national health program has paid splendid dividends. Its value will be reflected in future in a decline in illness and disease among Canadians, and in an increase in the production and prosperity of our country. I should like to quote an article which appeared in the Toronto *Daily Star* a few months ago containing the remarks of an eminent visitor from the United States:

> In the provision of public health services, Canada has far outstripped the United States, Dr. Leonard A. Scheele, surgeon-general of the U.S. public health service, told an audience at a Toronto club last night.
>
> Canadian health programs surpassed those in the U.S., he declared, because of effective utilization of research discoveries . . .
>
> In the allocation of federal funds to provide hospital beds, Canada was also far ahead of the U.S., Dr. Scheele declared. The Canadian hospital construction grant program had in a single year allocated federal assistance for the construction of 13,000 additional beds, or nearly one-third of the expected 40,000 to be provided in a five-year period.

For the information of the house I may say that I believe this figure now is closer to 25,000 beds, which I think is a remarkable achievement under this program. Then the article goes on:

> "At the rate we in the U.S. are going it will take twenty years to provide the necessary hospital space," he added.

So it will be seen that this visitor from the United States, an eminent authority, recognized the great part our national health program is playing in Canadian life. Therefore I say this $40 million we are spending on health services is perhaps the most wisely spent $40 million in our whole budget.

I come next to a discussion of the appropriation for national defence. I note this has been increased to $425 million. It is ironical, I would say, that at a time when we are making every effort to reduce human suffering from disease we are forced, like many other nations, to spend such huge sums on national defence. We are making great strides in the twin arts of taking and saving human life. However, with the situation that exists in the world today, I think there is no alternative. Important as our expenditures on social security may be—and as I said before I take second place to no one in my support of that program—nevertheless I believe that our most important duty as members of this house is to make sure that Canada has an adequate defence. There can be no doubt that if we do not have national security we shall not enjoy any of these social security measures that we prize so much. Therefore I support without question the large expenditure on national defence, and I believe that in the present minister, despite the criticism of the opposition, we have a man well qualified to be in this important post.

Hon. members of the opposition have repeatedly asked the minister for certain secret information with respect to the defence forces of Canada. I believe the minister has been wise and far-sighted in refusing to give this information. As he very well said in a radio address the other evening, what is the use of spending so much money on defence and then telling the Russians exactly what we are doing? Yet that would be the situation if he were to accede to the wishes of the opposition.

I want to take strong exception to some of the remarks which have been made in this house by the leader of the opposition (Mr. Drew). Many times he has implied, if not actually stated, that there are many Liberal members in this house who vote for the government against their convictions. I for one wish to reject that implication in its entirety. I consider it an effrontery to my sincerity, and to the sincerity of other hon.

members in this house. When we were chosen by the people of our constituencies to represent them in this House of Commons, it showed that they believed in our sincerity. I say again that I reject any suggestion by the leader of the opposition that we are adopting any such course.

In his self-righteous manner, the leader of the opposition has called upon Liberal members to say in parliament what they are saying outside the house. I am ready to accept that challenge. I am ready to tell you what I tell the people of the county of Northumberland. In the first place, I say that in the present Prime Minister (Mr. St. Laurent) we have a man whose ability, sincerity and humanitarian convictions mark him as one of the most outstanding leaders this country has ever had. I tell them also that I believe the present administration is giving sound government to the people of Canada. We have only to review the prosperity of the years under the Liberal administration to prove that point. I tell them that the social security program that has been developed by the Liberal party is one of the best social security programs to be found in any country in the world. For any further advance in social security, they must look to the Liberal party.

As many hon. members know, the annual meeting of the Progressive Conservative Association of Canada was held in Ottawa not long ago. One of the most remarkable features of this meeting, so far as I can see, was that for the first time there was no suggestion that they should change the name of the party, nor any suggestion that it was about time to call for a new leader. For many years we have been used to that procedure on the part of the Conservative party. I should like to read a quotation from the remarks made by the leader of the opposition as they appear in the Ottawa *Journal*. In speaking to that meeting, he said:

> This is a crusade to return to the people through their elected representatives the control of the business of the country.
>
> We sang, "O Canada, we stand on guard for thee."
>
> Let us organize as this party never organized before so that when another election comes the people of Canada will indeed be able to stand on guard for the country they love.

That is the type of material the leader of the opposition gives to his followers.

I should like to quote from an article containing the remarks of a man who spoke at the same meeting, one of the front men in the Conservative party in Canada, Mr. Grattan O'Leary. The article reads:

> He said the March budget brought down by finance minister Abbott was nothing more than a documentation of failure, a cry of despair.
>
> "It was a statement to the people that the government did not know what to do and proposes doing nothing," said Mr. O'Leary.

I should like to quote the remarks of another member who spoke at that meeting, the member for St. John's East (Mr. Higgins). I ask hon. members to mark this:

> "There is an attempt to set up a dictatorship and that is being preached by Prime Minister St. Laurent himself," said Mr. Higgins.
>
> "This Liberal party has been too long in power and its leaders have become arrogant. The situation has become a serious menace to Canada. An alternative party is essential if democracy is to survive in Canada."

That is the type of material that is given to the people of Canada by the responsible members of the Conservative party. When I came to this house last session, I thought the members of the Conservative party had learned something from their experience in the election last June. But when I read such stuff as this I do not wonder that their prospects for getting control of the government in Canada are very slim indeed. To speak of the Prime Minister as did the member for St. John's East is to my mind reprehensible, because if any man represents democracy in Canada it is our present Prime Minister. He is a man who came from humble beginnings, and who rose to a position of great prominence in Canada. He stands high in the regard of all citizens in Canada. Yet a member of this house says that there is an attempt to set up a dictatorship, and that this is being preached by Prime Minister St. Laurent himself. To me such a statement is almost too ridiculous for comment.

We all agree I am sure, Mr. Speaker, that there are difficult times facing all the nations of the world. It was that great American, Franklin D. Roosevelt, who said that to some generations much is given, and of some generations much is expected. I think that we, as Canadians today, must admit we are enjoying the greatest freedom and the greatest privileges that have ever been enjoyed by any generation in any country in the world. I think it is equally true that we, as Canadians, face the greatest responsibility of any generation in Canada. I believe we have even greater responsibility ahead of us, both as individuals and as a nation. In the final analysis, the real strength of any country lies in the feeling of responsibility which exists in the heart and mind of the individual citizen. I say, therefore, that we must brace ourselves for the days ahead, because even in peace the cost will be great. Not only must we complete adequate defences at great cost, but we must also see that even our most humble citizen enjoys the full privileges of citizenship. That must be our answer to

communism, rather than a police state in which every citizen is subject to intolerable suspicion.

Communism will become dangerous only if there are hundreds of thousands of Canadians who feel in their heart they are receiving less than their just due. Should war ever come to us, the cost will be great. It will require all to gain victory; all our wealth, temporarily our freedom, and for many their lives. It will require great moral as well as material rearmament. I believe that in Canada we have the resources, both material and spiritual, to carry us to final victory. There can be no other course. We must continue to give our support to the United Nations. We must continue to lend support to the North Atlantic security pact. We must see that all our citizens enjoy a full life. We must put our faith in divine wisdom. Having done that, if war still overtakes us, then we must face the inevitable threat to our survival with calm determination, skill and courage. We must never buy peace with our freedom and our liberty.

Mr. E. G. Hansell (Macleod): I feel prompted to take part in this debate, Mr. Speaker, not by reason of the budget itself, for it was quite an ordinary budget revealing that the government had no idea in mind as to any changes in financial policy. I am prompted to speak more by reason of what has been said by some of those who have already taken part in the debate. I notice that both in the session of last fall and this session in this parliament there appears to be an attack levelled against our social credit proposals. This attack seems to be carried on by some of the younger or, shall I say, junior members of parliament who have recently come to this house.

To me it is significant that the Minister of Finance (Mr. Abbott) himself guards against entangling himself in any arguments with this group with respect to our financial proposals. I think I can say the same thing with respect to his predecessors. The Right Hon. J. L. Ilsley also refused to entangle himself in debate with respect to the monetary proposals which we have made over the years. We can even go back to one of his predecessors and mention the Hon. Charles A. Dunning, who was minister of finance in the Liberal government some years ago when we in this group first made our appearance in the house. He also avoided any entanglement in arguments proposed by us for the revamping and changing of the financial policy of this country. All that finance ministers seem to do with respect to our proposals is not to argue against them but simply to say, "We will not follow your suggestions". If we ask "Why not?" they appear to have no answer. As a matter of fact, some of us are becoming a little bit suspicious that some of the older boys in parliament who have met us before in combat have now resorted to the position of chewing the spit wads for some of the younger men to throw.

Mr. Knowles: That is a dirty trick.

Mr. Hansell: I might say that it seems to be almost habitual that when we come along and make our proposals, which we believe to be sound and which have never been proved to be otherwise than sound, a cry goes up that the country must not dare to have anything to do with our social credit proposals. They do not say why. The cry does not seem to be made in terms of logic. It is simply a cry of danger. Why there should be any danger, nobody appears to know. At this point I think I might read just a few lines from a well-known book written many years ago. The title of it is "Looking Backward" and its author is Edward Bellamy. It was written in fictional style. He transposed himself over the years and then looked backward. In this particular part that I am going to read he assumes that he has been scanning the geography of a certain nation whose lands have been parched but which lands are capable of tremendous productivity. He sees a stream flowing through that land and in his mind he likens the stream to the flow of money. This is the way he puts it:

> Let but the famine-stricken nation assume the function it had neglected, and regulate for the common good the course of the life-giving stream, and the earth would bloom like one garden, and none of its children lack any good thing. I described the physical felicity, mental enlightenment, and moral elevation which would then attend the lives of all men. With fervency I spoke of that new world, blessed with plenty, purified by justice and sweetened by brotherly kindness, the world of which I had indeed but dreamed, but which might so easily be made real. But when I had expected now surely the faces around me to light up with emotions akin to mine, they grew ever more dark, angry, and scornful. Instead of enthusiasm, the ladies showed only aversion and dread, while the men interrupted me with shouts of reprobation and contempt. "Madman!" "Pestilent fellow!" "Fanatic! "Enemy of society!" were some of their cries,—

How often have we in this corner of the house, as we have gone through the country, in the early days particularly, been called crackpots. The writer goes on to say:

> —and the one who had before taken his eyeglass to me exclaimed, "He says we are to have no more poor. Ha! ha!"

That is a laugh.

> "Put the fellow out!" exclaimed the father of my betrothed . . . It seemed to me that my heart would burst with the anguish of finding that what was to me so plain and so all important was to them meaningless, and that I was powerless to make it other.

That seems to be the picture that is posed for us when we propose how to distribute the abundant production of this land. Our proposals are met with scorn but never are they proved to be false. I must say here that this scorn is not heaped upon us by members like the Minister of Finance (Mr. Abbott) nor by men who have studied and who should know. Whether they regard our proposals as feasible and correct or not, I do not know. They do not argue against them. They simply say: "We will not try them." It is some of these other men who suddenly arise and pose as critics that seem to bring scorn down upon our proposals without showing where they are fallible or where they lack logic or common sense. And when they do try to prove we are wrong, they very often prove that they do not know what they are talking about. I might read a little quotation from the London *Economist*, which is an ultra-conservative paper. It says:

> In monetary matters more than in most matters there has been a revolution in the past ten years. But in monetary thought and practice more than in most matters, established habits have in the past been not so much convictions that could be abandoned when circumstances alter, as articles of faith to be carried to the grave.

The hon. member for Churchill (Mr. Weaver), who I believe in general matters is an intelligent man, the other day assumed the role of the critic. I should like to read a passage—

Mr. Low: A ridiculer.

Mr. Hansell: My leader said, not only a critic but a ridiculer. Perhaps he did attempt to bring some scorn upon our proposals. Let me read from *Hansard* what he said, as recorded at page 1838. After quoting the hon. member for Peace River (Mr. Low), who is the leader of this party, he said:

> This statement does not silence those critics. The creation of money as advocated by the hon. member can be done, but it is only another form of hidden taxation, and the most extreme and insidious form of all. Let us assume that we have $10 worth of production, and that there is $9 of purchasing power available. Then assume that the government listens to our social credit friends and creates an additional $9 of purchasing power.

May I interject here: Never, never, never have we proposed issuing $9 of additional purchasing power when only $1 additional purchasing power is needed. Never has the hon. member for Churchill heard us say such a thing, nor has he ever read such a thing in anything we in this corner of the house ever proposed. Where he got it from—

Mr. Low: It is one of those spitballs.

[Mr. Hansell.]

Mr. Hansell: Yes, that somebody chewed for him to throw, and if he says he chewed the spitball himself, then all he does is to show the measure of his own intelligence. Further down on that page he said:

> Money is only goods and services produced.

I do not know with what authority he makes that remark but I should like to have the opportunity to say a word or two about it. Remember, he says, and I repeat: "Money is only goods and services produced". During the depression days we had the experience of banks desiring to collect their debts. Some of the farmers had no money, but they had produced their grain. On one occasion a farmer came in to a banker and he said: "I would like to pay my note, but I have no money. I have plenty of grain." And so one day he drove his truck up to the bank and he began to shovel grain out. He said to the banker: "Here is my money." I do not know if the hon. member for Churchill would have done that, but if production is money why did the banker not take the wheat?

Mr. Low: And cancel the loan.

Mr. Hansell: Yes, and cancel the loan. They did not do that. They called the police. The man had to shovel the grain back in his truck and take it home to the granary.

What is money anyway? I will read from an authority who I think is perhaps on a level slightly higher than the hon. member for Churchill. I read from Professor Walker who, I believe, is professor of economics at Harvard university. I may have to stand corrected on that. He is a very eminent economist, and in his answer to the question, "What is money?" he says:

> Any medium which has reached such a degree of acceptability that no matter what it is made of, and no matter why people want it, no one will refuse it in exchange for his product.

May I quote another authority, whom I think we will accept, none other than Dr. W. C. Clark, who is the deputy minister of finance. Dr. Clark said:

> Money, in the broad sense (now sanctified by popular usage), is any medium of exchange which is generally acceptable in day-to-day business transactions and the settlement of debts and contracts.

I have read that definition which is part of a treatise which Dr. Clark gave before the banking of commerce committee in 1939.

Before going on to another subject in respect to this definition of money may I ask you, Mr. Speaker, to call it six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Hansell: Mr. Speaker, before the house rose at six o'clock I was dealing with a rather bold statement made the other day by the hon. member for Churchill (Mr. Weaver), who said that money is only goods and services produced. I was attempting to give definitions by expert authorities as to just what money really is. Sometimes it is necessary to retrace one's thoughts and go back to the rudimentary principles that were proposed in days gone by.

Quite often when discussing the principles of social credit with those who are perhaps less informed I find that they often turn and say, "Well, I just do not understand social credit." After we get talking with these same gentlemen we are surprised to find that it is not social credit they do not understand, it is the present money system they do not understand. When one talks in terms such as those used by the hon. member for Churchill and says that money is only goods and services produced, he is not talking about social credit money. He is talking about our present system of money. He is talking about Abbott money. Anyone reveals by such a statement that he knows very little of what he is talking about.

Very often we are asked, "Well, now, if you put in social credit, where would you get the money?" Then I turn to my friends and say, "Where do we get money from at the present time?" I find that they do not know. It is not social credit they do not understand, it is the present order of money that they do not understand. When we tell them that the vast amount of our money comes out of the end of a fountain pen they laugh us to scorn. All we have to do is to ask some of the competent authorities where money comes from and they will tell us that after all money is only a system of financial accountancy, merely figures backed by law and applied to prices and other relative matters.

To indicate the intelligence of a good many people, I recall on one occasion asking a medical doctor where money comes from. I even used his own terms and I said, "You are accustomed to the birth of human beings. Tell me how money is born. How does money come into existence? How do we get it? It does not grow on trees. It does not drop down from heaven. How does it come into existence?" I did not expect this medical man to be an expert economist, but he had had several years of university training and I think we can assume that a medical practitioner is an intelligent and logically thinking man.

When I asked this doctor where money comes from he said, "Oh, well, I have a field of wheat out here, that is money." I said, "Do you mean that dollar bills grow on the end of the stalks?" He said, "Oh, no, no, I do not mean that." I said, "What do you mean then?" He replied, "I sell my wheat and get money for it." I said, "That does not tell me how money comes into existence," and he responded, "Oh, well, well, well." That was his answer, "Well, well, well." That was the answer of a very intelligent man.

I recall one occasion during the first years of our presence here an hon. member on the other side of the house—he is not here now—made a certain statement. Of course it is known that a member of parliament does not have to have any brains, but usually we expect a man who is intelligent enough to reach this place to have ordinary common sense. A little exchange and play was going on between this hon. member and myself and I asked him on the floor of this house where money came from. Do you know what his answer was? He said, "Why, we earn it."

That was a display of intelligence, was it not? After the house rose I was talking with him out on Sparks street. He was a good friend of mine even though he was a Liberal. I said to him, "How do you account for the fact that one year there is more money in existence than in a previous year? How do you suppose that other money came into existence?" Do you know what his answer was? He said, "Well, I have a mare at home and she casts a foal which is worth $100. In a couple of years that foal grows up to be a very valuable race horse worth $1,000. There is $900 more money in existence." Can you imagine a man of intelligence saying that. I looked at him and said, "Do you mean to say that money increases with the age of a horse?" He did not know what to say. That is the reasoning of some men.

An hon. Member: Horse sense.

Mr. Hansell: I asked the same question one day of a farmer. I do not suppose he was particularly well educated but he was a sort of wise old gentleman. I asked him, "Where does money come from? How does it come into existence?" He closed his eyes and said, "Search me, I do not know, I guess maybe the banks make it." The fact of the matter is that the answer of that old gentleman was closer to the truth than the answer of the medical doctor who had spent seven years

in university and the answer of a Liberal member of parliament who had eventually arrived in this chamber.

Let us see what some authorities say concerning this. I am going to read from the evidence taken in the parliamentary committee on banking and commerce in 1939, and I am quoting no other authority than Mr. Graham Towers, governor of the Bank of Canada. No one will doubt that Mr. Towers knows what he is talking about. Mr. Landeryou, who was then a member of the house, questioned him as follows:

Mr. Landeryou: The credit they use to purchase these bonds is not the bank deposits or the savings of the people, it is a credit created by the bank?

Mr. Towers: No, it is that money that is now the savings of the people, so to speak. The bank in purchasing the bond places, shall we say, $1,000 to the credit of the government, if a process of expansion is going on, otherwise, the bank would not purchase additional bonds.

Might I interject here that Mr. Towers is a little reluctant in coming out definitely and stating definitely yes or no until he is forced to that position. Let us read on from the evidence, which is to be found at page 113:

Mr. Landeryou: Do you use the people's savings to purchase that bond?

Mr. Towers: I would put it the other way, I would say they purchase the bond by placing $1,000 to the credit of the government. The government spends the money. The people who receive the money put it into their savings accounts with the banks. Those savings accounts then are an asset of the depositors but a liability to the banks. Against that deposit the bank will hold $1,000 in government bonds so that it can respond to the liability if need be.

Mr. Landeryou: Yes, but I cannot get the question over to you. I am not suggesting that there is not a $1,000 bond behind the deposit. It may be in the bank. But in the first instance, when the government delivers a $1,000 bond to the bank what does the bank use to purchase it with? Is that the creation of additional money?

Mr. Towers: It is the creation of additional money.

And then at page 238:

Mr. Landeryou: Now, if the government went to the bank with $1 million in bonds there would be an increase of $1 million in the amount of money in the hands of the people in the form of deposits?

Mr. Towers: Assuming that no other change had taken place in the bank's position at that time, yes.

Mr. Landeryou: In other words, when the $1 million worth of bonds is presented to the bank a million dollars of new money or the equivalent is created?

Mr. Towers: Again assuming that there is no decrease in its other investments or loans.

Mr. Landeryou: I mean at the time, at the moment.

Mr. Towers: Yes.

Mr. Landeryou: It is a fact that a million dollars of new money is created?

Mr. Towers: That is right. Of course, governments should not always go to the banks in that connection; they should sell their bonds to investors.

Mr. Landeryou: Yes. Now the same thing holds true when the municipality or the province goes to a bank?

Mr. Towers: Or an individual borrower.

Mr. Landeryou: Or when a private person goes to a bank.

Mr. Towers: Yes.

And later:

Mr. Landeryou: What is the proper way? Is the proper way this, that when I borrow $100 from the bank as a private citizen the bank makes a bookkeeping entry and there is a $100 increase in the deposits of that bank, in the total deposits of that bank?

Mr. Towers: Yes.

Mr. Speaker, that is clear, that during a time of credit expansion money is born into existence by the direct action of banks in making loans, and it exists in figures in bankers' books. When anyone goes into a bank to borrow money, he does not borrow the depositors' savings. That is a fact. He goes into a bank; the bank puts a credit entry opposite his name in the form of figures, and when the man walks out of the bank there is that much more money in existence than when he walked in. There is no dispute on that fact; that is the evidence of Mr. Graham Towers, governor of the Bank of Canada.

Let me read some further evidence which seems to me rather striking. These are questions by Mr. McGeer, who was then a member of the house:

Mr. McGeer: Will you tell me why a government with power to create money should give that power away to a private monopoly and then borrow that which parliament can create itself, back at interest, to the point of national bankruptcy?

Mr. Towers: We realize of course that the amount which is paid provides part of the operating costs of the banks and some interest on deposits. Now, if parliament wants to change the form of operating the banking system, then certainly that is within the power of parliament.

But never once has the government of this country, since we have been here, attempted to change that banking policy whereby they, themselves, would be able to create the money they need.

I have cited that evidence because I believe it is as well for some of these critics of the Social Credit policy who ask, "where would you get all the money from?" to know where the present government gets this money, and how money at the present time—real, good Abbott money—comes into existence. I am not talking about social credit money. And might I add that Social Crediters would get money from exactly the same place whence it is born into existence today. The one thing we would do would be to see that there was not a shortage of money, and that the power to consume, in terms of money, would be equivalent to the production of the country in terms of prices.

There is just one further point I would like to mention, because it is rather striking. At page 771 of that same banking and commerce evidence Mr. Jaques asked this question:

Would you admit that anything physically possible and desirable can be made financially possible?

To that Mr. Towers answered, "Certainly".

I noticed in the Ottawa *Journal* the other day an editorial taking Mr. Douglas of Saskatchewan to task because he had made a similar statement. I am not going to take time to read the whole article, because I wish to conclude with a statement in respect to the way we are going to vote. But this editorial in the Ottawa *Journal* of April 15, written by one of the editors—I do not know who—is captioned "Slogans and Realities" and quotes Premier Douglas as saying, "what is physically possible is financially possible." Whether the quotation is correct or not, I do not know; but we Social Crediters add the word "desirable" so that the statement is, "what is physically possible and desirable can be made financially possible." The editorial takes Mr. Douglas to task for that which they call a slogan, and they say it is not true.

I would ask this question: who is the greater authority, one of the editors of the Ottawa *Journal,* or Mr. Graham Towers, the governor of the Bank of Canada?

Then, Mr. Speaker, I might also call attention to an advertisement which appeared in the Ottawa *Journal* of April 5, and I believe in other newspapers throughout this country. It was inserted by the Bank of Toronto. It is very significant that a campaign is now being carried on in Canada to discourage any thinking about monetary reform. And why? Because they recognize that we are approaching the point of underconsumption, which they like to term overproduction, when there will not be enough money to buy the goods we are able to produce. Getting in on the ground floor of argumentation, they are attempting to warn the people not to change monetary policies. This bank advertisement is headed, "What happens to the money you put in the bank?" It goes on:

Business men, large and small, borrow it to expand so that they can serve you more fully and provide a wider range of consumer goods you need.

That statement is an absolute falsehood. I do not know whether the publicity directors of this bank know what they are talking about. Those in charge of publicity do not always know, and are not always expert in the things they have to publicize; but that statement is absolutely false. If those who publicized it knew what they were talking about, then they did it deliberately to deceive the people of this country. Banks do not loan the money of their depositors. They create money in the form of loans, which afterwards becomes the money of the depositors. I wish I had time to read all this advertisement; other parts of it are along the same line.

In the few moments remaining at my disposal I want to state our position with respect to the amendments; it will take only a moment or two. There are two amendments before the house. On April 4 the hon. member for Greenwood (Mr. Macdonnell) moved an amendment to the motion of the Minister of Finance (Mr. Abbott) that you do now leave the chair. The hon. member for Rosetown-Biggar (Mr. Coldwell) took part in the debate and moved a subamendment. I should like to say something about each of those amendments, and I shall start by considering the one moved by the leader of the C.C.F. party. The first paragraph of that subamendment reads:

This house regrets that the policies of the government, as announced by the Minister of Finance,

(1) indicate that the government is prepared to accept the present level of production as adequate for this country and as placing a limit on the services and security to be provided for our people;

There is no doubt in our minds that the Liberal government is afraid of abundance. For many years they have demonstrated that they have mentalities geared to scarcity. Times without number, almost, we in this Social Credit group have complained against Liberal policies which without question have had the effect of discouraging production. Liberal taxation policies have definitely limited the extent of Canadian production. I go so far as to say, and I do not think anyone can successfully contradict me, that had it not been for the war Canada never would have reached, under Liberal policy, a gross national product of $16,000 million as it did last year. As the consequence of an accident as far as Canada was concerned, but which might have been a deliberately planned war, our people put forth a supreme effort to win the war. Of necessity national production soared to unprecedented heights. We reached a yearly production of $16,000 million of all kinds of goods and services. Now, however, it is clearly evident that the government is as scared as a certain friend of mine who found himself for the first time boosted on the back of a saddle horse. As the horse started to gallop down the road my friend held on to the saddle horn with both hands, fervently wishing that he was safely on the ground again. I am quite sure the government, with their mentality of scarcity, would feel much more at home if Canada's total production were to shrink somewhat below its present

level. At any rate, no one reading the budget speech carefully can get any other impression than that the Liberals have decided we have reached the limit of their ability to manage an economy. If it gets any bigger it will be beyond them, and someone else will have to take over. They would rather strangle growth than let that happen. Their trade policies; their decided and almost tragic lack of national fuel, steel, sugar, and agriculture policies; their ineptitude in the field of finance: all stand as vocal evidence of the truth of the contention embodied in the first paragraph of the subamendment.

We Social Crediters are apostles of abundance. We sincerely believe there is no good reason why any artificial limit should be placed upon production in Canada. Our production of all kinds of wanted goods and services should be limited only by the extent of our manpower and natural resources. And when we as Social Crediters are entrusted with the management of the people's affairs, the affairs of government, we will stimulate all-out production. What is just as important, or even more so, we will know how to manage a financial policy that will be able to distribute that abundant production equitably to our people so that none will be wasted. For these reasons we find ourselves in complete agreement with clause 1 of the subamendment, and we could vote for it.

Now we come to clause 2, which reads:

(2) make no provision for increased national production through economic planning, public control of investment, public ownership of monopolistic industries, and the full and proper development and use of our resources, so as to ensure a rising standard of living and comprehensive social security for the Canadian people.

I am sure I speak for all my colleagues when I say we are in agreement with the objectives that seem to have been envisaged by the C.C.F. when they drafted this clause of their amendment. Over the years I have noticed that the Social Crediters and the C.C.F., and other groups, have championed the cause of the downtrodden, the underprivileged and the ordinary fellow in the street. I think it is fair to say that both our groups have been fighting for social justice. But, while we seem to be seeking the same objectives in the economic field, there is a very great difference in the methods we would use in trying to reach those objectives.

The C.C.F. subamendment criticizes the government for making no provision for increased national production through economic planning. I think probably that statement is true; but, if I correctly understand the C.C.F. term "economic planning", it is to be done by a planning board whose powers are set out on page 150 of the book "Make This Your Canada," where I find this—

The Acting Speaker (Mr. Beaudoin): Order.

Mr. Hansell: I should like to read that statement, if I may:

The task of the commission will be to plan for the production, distribution and exchange of all goods and services necessary to the efficient functioning of the economy; to co-ordinate the activities of the socialized industries; to provide for a satisfactory balance between the producing and consuming power, and to carry on continuous research into all branches of the national economy in order to acquire the detailed information necessary to efficient planning.

My time is almost gone, and I want to add just one statement. To get the full significance of this definition one has to look at examples of the application of the socialistic planning idea. Let us take Britain as an example. In that country they have had a national planning commission consisting of a small group of economists, engineers and statisticians. They have tried to plan the national economy. When the plans were made by this commission they were pretty much in detail. The next step in the process was to see that the plans were enforced; and, though many thousands of people were opposed to the plans, they were forced or compelled to submit to them. In other words the whole basis of the socialistic type of planning is compulsion.

We Social Crediters believe it is necessary that economic planning be done, but most of it should be done by individual enterprise. We have constantly criticized the government for not having given proper leadership in the development of national policies such as fuel policies, production policies of various kinds, transportation policies and so forth. But our idea of planning so far as government is concerned is that it should be a planning of objectives, with leadership being exercised by departments of government or commissions established by the government and responsible to parliament. When it comes to the realization of those objectives that have been planned, Social Crediters have consistently taken the position that inducement ought to be used instead of compulsion. Human beings will do their best under inducement; they will nearly always do less than their best under compulsion. It is because of this fundamental difference in the approach to making and applying economic plans that we cannot support paragraph 2 of the C.C.F. amendment. Our approach to public control of investment, public ownership of monopolistic industries, and the development of our resources is also fundamentally different from that of the C.C.F.

I have another paragraph to read, Mr. Speaker, but I see that you are anxious.

Mr. Abbott: Finish your statement.

Some hon. Members: Go ahead.

Mr. Hansell: You have only to look to the Social Credit policies in action in Alberta, with its outstanding achievements and most excellent results, and the C.C.F. policy in action in Saskatchewan, to see what I mean. In the Social Credit province of Alberta development has been phenomenal, and the people of the province have benefited away beyond their expectations. In Saskatchewan development has lagged away behind, and the government and the people face financial difficulties and stringencies as a result. We will not, therefore, be able to support the C.C.F. subamendment, although taken merely as a statement of objectives we find ourselves pretty much in agreement.

I thank you for your patience, Mr. Speaker. I thank the house for its patience, too. May I conclude by simply saying that this is indeed a great country, and under proper financial policies we believe it could be taken on to a destiny far more glorious than has ever been envisioned before.

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, I did not intend to take part in this debate, but realizing the dilemma in which our amendment has placed the member for Macleod (Mr. Hansell) and his party, I think I should try to do something, if not to remove the dilemma at least to enlighten him and show him some of the contradictions in the argument that he was just making. A little while ago he accused the government of not taking steps to control the banking system of Canada, so that the government itself could make the money at the point of a fountain pen instead of having the banks do it. Does the member for Macleod really expect a government that believes in a policy of scarcity, as he said, would do anything that would obviate that scarcity? To do that would be asking the government to do something which it is not in its nature to do.

The member for Macleod further believes that a government that is operating in the interests of free enterprise, of a system that believes in scarcity, and as a matter of fact cannot be prosperous in times of plenty, would do something against its own interest. He has said that the present government is a government that believes in scarcity. Why scarcity? So that there will be an inducement for the people to meet the needs that scarcity creates. The moment you create plenty you take away that inducement. Now the hon. member believes that by the adaption of a free enterprise that believes in scarcity to the Social Credit money policy, we would have abundance; but since free enterprise does not want abundance, obviously it is not going to adopt the Social Credit financial policy. The peculiar thing is that Social Crediters believe free enterprise would do for them what free enterprise will not do for the people who have been operating it for generations, that is, that it would create plenty and keep on creating plenty. That is just a fantastic dream.

So far as compulsion is concerned, I may say that I did not know this sort of speech would be made, although I could have suspected it because it is the sort of speech my friends on my left always make. Less than a year ago in this house I showed that the compulsion that would be imposed by a C.C.F. government would be the essence of liberty, in comparison with the compulsion that would be necessary under a Social Credit system. I showed, by reading from Social Credit literature, from Major C. H. Douglas's plan for Scotland, that a census would be taken of every bit of capital in the country. I showed that the compensating price would of necessity mean price control on every article. Surely if compulsion is all they are afraid of, my friends should not have any difficulty in supporting the C.C.F. subamendment. They admit to agreeing with one-half of our amendment; that is more, I am convinced, than they understand of the policies which they advocate. As they are continually talking about things they do not understand, I do not expect them to understand anything as simple as the policies of the C.C.F., or the policies of democratic socialism.

My friend referred to Britain, and the mess they were making of things there. Let me tell him that I was talking to a woman who just came from the British isles today, and what she told me I am sure the member for Macleod already knows, and if he doesn't know he can find out. She said that the people of Britain today, despite their many difficulties, despite the obstacles that they have had to overcome since the end of the war, taken by and large, are better off than they ever were before. For the great mass of the people of Britain, she said, who never in their lives had been free of poverty poverty does not exist today.

Then the hon. member credits the Social Credit party with the present prosperity in Alberta. Remember that Social Credit policy is purely financial, and I should like any Social Credit member to show me one monetary change the Social Credit party has so far made in Alberta, one item of monetary

policy that is any different from the policies of other governments that administered the affairs of Alberta.

Mr. Low: We have been demonstrating it for the last fifteen years.

Mr. MacInnis: You have been demonstrating it not by producing money at the end of a fountain pen; you have been demonstrating it because you found oil in Alberta. If oil was found in the Sahara desert, there would be prosperity there too. Social credit does not enter into the picture at all. If the oil wells in Alberta dried up tomorrow, so would social credit.

Mr. Low: The oil wells came into existence because of social credit policies.

Mr. MacInnis: No. Social credit did not put the oil in the ground. God did that.

The Acting Speaker (Mr. Beaudoin): Order.

Mr. Low: There is probably oil in the soil of Saskatchewan.

Mr. MacInnis: It may come out of the soil in Saskatchewan.

Mr. Low: Never while the C.C.F. government is in power.

Mr. MacInnis: It may or may not. But that does not alter the situation. The people of Saskatchewan today are better off than ever they were before. If you do not believe that, compare the taxes the farmers of Saskatchewan pay with the taxes paid by the farmers in any other part of Canada.

I did not intend to make a speech, Mr. Speaker. If I had ten minutes for preparation, I could really make a good speech on what social credit is and isn't.

Some hon. Members: Question.

The Acting Speaker (Mr. Beaudoin): The question is on the following motion. Mr. Abbott moves, seconded by Mr. Fournier (Hull):

That Mr. Speaker do now leave the chair for the house to resolve itself again into committee of ways and means.

Mr. Macdonnell (Greenwood), seconded by Mr. Green, moves in amendment thereto—shall I dispense with the reading of the amendment?

Some hon. Members: Dispense.

The Acting Speaker (Mr. Beaudoin): Mr. Coldwell, seconded by Mr. MacInnis moved:

That the amendment be amended by deleting therefrom all the words after the words "Minister of Finance" and by inserting instead thereof the following words:

(1) indicate that the government is prepared to accept the present level of production as adequate for this country and as placing a limit on the services and security to be provided for our people; and

(2) make no provision for increased national production through economic planning, public control of investment, public ownership of monopolistic industries, and the full and proper development and use of our resources, so as to ensure a rising standard of living and comprehensive social security for the Canadian people.

Those in favour of the amendment to the amendment will please say "yea".

Some hon. Members: Yea.

The Acting Speaker (Mr. Beaudoin): Those against it will please say "nay".

Some hon. Members: Nay.

The Acting Speaker (Mr. Beaudoin): In my opinion the "nays" have it.

And more than five members having risen:

The Acting Speaker (Mr. Beaudoin): Call in the members.

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

YEAS

Messrs:

Argue	Knowles
Bryce	MacInnis
Coldwell	Noseworthy
Herridge	Stewart (Winnipeg North)
Jones	Thatcher
Knight	Wright—12.

NAYS

Messrs:

Abbott	Conacher
Adamson	Corry
Applewhaite	Cote (Verdun-LaSalle)
Arsenault	Coyle
Ashbourne	Croll
Bater	Cruickshank
Beaudoin	Darroch
Beaudry	Dechene
Benidickson	Decore
Bennett	Demers
Bertrand	Denis
Beyerstein	Dickey
Blackmore	Dion
Blair	Douglas
Blanchette	Dumas
Boivin	Eyre
Bonnier	Fauteux
Boucher	Ferguson
Bourget	Ferrie
Bradette	Fontaine
Breithaupt	Fournier (Hull)
Brisson	Fournier (Maisonneuve-Rosemont)
Brown (Essex West)	
Browne (St. John's West)	Fraser
Byrne	Gagnon
Cameron	Gardiner
Campney	Garson
Cannon	Gauthier (Lake St. John)
Carroll	Gauthier (Sudbury)
Carter	Gauthier (Lapointe)
Catherwood	Gauthier (Portneuf)
Cavers	George
Charlton	Gingras
Chevrier	Gingues

Goode	Masse
Gosselin	Maybank
Gour (Russell)	Monette
Gourd (Chapleau)	Mott
Gregg	Murray (Oxford)
Hansell	Murray (Cariboo)
Harkness	Mutch
Harris (Grey-Bruce)	Nixon
Helme	Pearkes
Henry	Pearson
Hetland	Picard
Higgins	Poulin
Hodgson	Pouliot
Hosking	Proudfoot
Howe	Prudham
Huffman	Quelch
Hunter	Ratelle
Isnor	Richard (Gloucester)
James	Richard (St. Maurice-Lafleche)
Jutras	Richard (Ottawa East)
Kent	Riley
Kickham	Roberge
Kirk (Antigonish-Guysborough)	Robertson
Kirk (Digby-Yarmouth)	Robinson
LaCroix	Rooney
Lafontaine	Ross (Souris)
Laing	Rowe
Langlois (Gaspe)	St. Laurent
Lapointe	Shaw
Larson	Sinclair
Lefrançois	Smith (Queens-Shelburne)
Leger	Smith (York North)
Lennard	Smith (Moose Mountain)
Lesage	Stanfield
Little	Stewart (Yorkton)
Low	Stick
Macdonnell (Greenwood)	Stuart (Charlotte)
MacKenzie	Studer
MacLean (Cape Breton North and Victoria)	Tremblay
MacNaught	Tustin
McCulloch	Viau
McCusker	Ward
McDonald (Parry Sound-Muskoka)	Weaver
McGregor	Weir
McIvor	Welbourn
McLean (Huron-Perth)	White (Hastings-Peterborough)
McLure	Whiteside
McWilliam	Winkler
Major	Wood
Maltais	Wylie—167.

Mr. Smith (Calgary West): I was paired with the hon. member for Edmonton East (Mr. Macdonald). Had I voted, I would have voted against the subamendment.

Mr. Gillis: I was paired with the Minister of National Health and Welfare (Mr. Martin). Had I voted, I would have voted for the subamendment.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, it grieves me greatly to have to hold up the house for a while, but the speech delivered on April 24 by the hon. member for Churchill (Mr. Weaver) requires a certain amount of attention and I intend to give it that amount of attention before we have another vote. This speech will be found on pages 1836 to 1842 of *Hansard*.

I think it would be a good thing if I were to lay down what I believe are some of the responsibilities of a member of parliament. I think the people have a right to expect, first of all, that a member of parliament shall either know something of what he talks about, or talk about only those things that he knows something about. When a member of parliament rises on the floor of this house and makes remarks the people all over the country have some right to believe that he is somewhere near right. I think that is a pretty sound principle to lay down.

According to the Parliamentary Guide of 1950, page 265, the hon. member for Churchill was educated at the Royal Military College and obtained a certificate of graduation with honours. He is stated to be a metallurgical engineer. A gentleman with such credentials certainly should be expected to know what he is talking about.

I should like to draw attention to four passages in the speech which he delivered. I shall not read them completely, but will give the first and last words of each passage and later on I shall deal with one or two of the passages in detail. On page 1838 of *Hansard* we find a passage commencing with the words, "My point" and ending with the words "money is worthless". There is another passage on page 1838 commencing with the words, "This statement" and ending with, "called inflation". There is still another passage on page 1838 commencing with the words, "Money is only goods" and going down to "against these goods". The next passage is on page 1839 commencing with the words, "In the same way" and going down to the words, "lose their value". I do not know to what extent I shall be able to give attention to these passages, but certainly each one needs attention.

May I draw attention to the first one I referred to which is to be found on page 1838 and which reads:

> My point is that the Social Credit theorists lead themselves down the garden path by focusing their attention on money and not on production. Without production money is worthless.

Those two statements constitute a complete falsehood with regard to social credit. In the first place we do not know what the hon. member means by theorists, but if the word "theorists" is taken to include Social Credit members of parliament or members of the Alberta legislature or government, then it is completely wrong. The fact that the hon. member uses the word "theorists" will give him a way out in case he needs it. I grant that there are theorists and practical men, and I suppose there are such in the Social Credit movement as there are to be found in plentiful numbers in the Liberal party; but no responsible individual such as a member

of parliament at Ottawa or those whom I have mentioned in the Alberta legislature can be included in the statement made by the hon. member.

I challenge the hon. member to produce any passage in *Hansard* from 1936 to the present time that either proves or even vaguely justifies the statement he made in that passage. The hon. member said:

> My point is that the Social Credit theorists lead themselves down the garden path by focusing their attention on money and not on production.

That is absolutely false. Social Crediters base all their thinking and all their talking and all their reasoning on production. They point out that because of the abundance we are able to produce, so much more than the people are able to buy, we have got to the point at which some adjustment has to be made in the purchasing power in the hands of the people so that they will be able to buy the production they are able to produce.

The hon. member can find that idea reiterated dozens of times since 1933. He tells us he went to hear Premier Aberhart in that year. If he did hear Premier Aberhart, and was in Alberta in 1933, then he heard the expression reiterated time and again until the whole province was like a beehive with the expression, "shortage of purchasing power in the hands of the people." And he heard, on the other hand, the bankers and all their supporters saying that we had overproduction. If we have overproduction on the one hand, then certainly we have a surplus of goods. If we have a shortage of purchasing power in the hands of the people we also have a surplus of goods. So that no matter which way the hon. member approaches the problem, his statement is absolutely false and erroneous, entirely. He should know it; and if he does not know it there is something seriously wrong with that member. He threw this false statement on the pages of *Hansard* before tens of thousands of people from one end of Canada to the other, something which I maintain no member has the right to do.

Let me say to the hon. member that he would have found many, many statements in *Hansard* giving the truth about social credit if he had taken the time to look for them.

May I refer to the first speech I delivered in the house in 1936, when I first came to parliament. That was my first regular speech in this chamber. Let me read a passage from *Hansard* for 1936, page 115, and see whether there is any disregard for goods in that speech. I said:

> At the same time, what banks can so generously do, and lend the proceeds to the government, and charge them good stiff interest for, I submit that governments ought to be able to find some way or another of doing for themselves.

[Mr. Blackmore.]

I am speaking about the creation of money. I continue:

> Here is another example. Mr. A. de V. Leigh, secretary of the London chamber of commerce, in a statement reprinted in the Ottawa *Citizen* on June 8, 1934, makes the following statement:
>
> "The war was paid for as to 30 per cent by actual money belonging to the people—"
>
> Is there anyone who can see any reason why, then, the people of Great Britain should be taxed almost to death to pay for that war, when they already have paid for it?
>
> "—earned by the people; which was invested by the people in war loans;—"

Then note particularly these words:

> "—and 70 per cent of the total cost of the war was paid for by the banks very kindly making these book entries, costing them nothing except the ink, paper and the time of the clerk, and lending the result to the nation at interest. The nation owes them money in exchange for their promises-to-pay money which they have not got. Further we have been paying them interest on these promises-to-pay ever since. Interest on war loans amounts to something like five million dollars a day."
>
> Now if the government is going to assert complete freedom for the Dominion of Canada, it is going to take control of such issue. It must be safeguarded, we will grant. It must be managed by men who are responsible and who are trained, men who will honestly and successfully manage that aspect of the nation's life in the interests of the people and not in the interests of any private group.
>
> There is one more thing which must be very carefully considered, and we assume that the Prime Minister has this in mind. Up to the present time the backing for money has been gold. Men have got to the point where they virtually worship the gold standard. It is like a golden calf which they worship to their ruin, but the time must come when we will all realize that the backing of money is not necessarily gold. May I read here a statement by an eminent authority which none will presume to question, the Midland Bank, England, the largest bank in the world? Here is an extract from its monthly review, June-July, 1935.
>
> "In the past four years the progress of ideas has been rapid—the gold value of sterling has dwindled by 40 per cent—neither the government nor the bank does anything about it, and no one is in the slightest degree disturbed, since the pound buys just as much goods and services as in 1931."
>
> In other words, the gold standard has been gradually displaced in England as a backing for goods and services. In our country, with new machinery and scientific knowledge, a high degree of technical skill, and good organization, we can produce an almost infinite amount of goods, and we have hundreds of thousands of men in the country ready to render services; so there ought to be virtually an unlimited backing for what money we wish to produce; at least there should be enough backing to give us the money we need.

That passage alone should have warned the hon. member, if he had taken the time and pains, making him realize that the statement he was about to make was completely wrong. Then I made the following quotation:

> "Stability of the value of the pound in terms of goods has replaced stability in terms of gold. At the heart of the matter is a change in the official conception of stability—internal stability is bringing us far greater benefits, in solid economic welfare, than the pursuit of fixity of exchange could

conceivably yield. Clearly this change is nothing short of a revolution—it indicates an almost complete transformation of the monetary system."

And then I went on in my own words:

The social credit group in this parliament believes that the Prime Minister favours the introduction of such a revolutionary change. First, that the dominion government will take control of the issue so as to manage it for the people's welfare; and, second, that little by little in so far as it is necessary they will gradually depart from the gold standard and substitute a goods and services backing, and that such other measures will be taken as will tend to the well-being and increase of the wealth of this country.

While I was not particularly discussing the question raised by the hon. member's statement, nevertheless it is surprising how well I answered him, considering my speech was made over fourteen years before his.

I now wish to read a statement by the hon. member for Acadia (Mr. Quelch). Since we came to the house the hon. member and I have been endeavouring to carry the burden of explaining the views of this group with respect to financial problems; so that whenever we have spoken we have been pretty well expressing the ideas of the group and of the movement. The hon. member for Acadia, speaking on March 3, 1939, had this to say about the $750 million loan, as set out at page 1517 of *Hansard* for that year:

Now, we fully realize that there is a well defined limit to the amount of money that can be issued in any period, and so long as it does not go beyond that limit there need not be any fear of inflation.

Mr. Dunning: What is the limit?

Mr. Quelch: The limit is the amount of money necessary to make the great physical demand of the people effective against the production of the country; that is to say, if you have on the one hand goods unsold and on the other hand people requiring those goods, you can give them enough money to buy those goods without any possible danger of inflation.

I believe the hon. member, if he is listening—and I have not had time to notice whether he is or not—will find in that a contradiction of what he has said. He may say, "Oh, I have not had the time to read all the speeches made by members of the Social Credit party." The hon. member has been in this house during one and a half sessions. There have been here ten members of the Social Credit group, any one of whom could have put him right. So there is no excuse, not only for his failing to get correct information regarding Social Credit concepts and policies, but for rising in the house and scattering misinformation throughout the country.

I should like now to quote from speeches delivered since the hon. member for Peace River (Mr. Low) became leader of this group. When he became leader he also became spokesman for the group, spokesman for the Social Credit movement. Speaking on November 7, 1945, as reported at page 2573 of *Hansard*, he said:

It is different from our present money—I am speaking, of course, of social credit money—but only in this respect, that it is issued into circulation without adding to the nation's debt. And remember that Social Crediters advocate issuing new money only when there are goods and services already in existence to be distributed by money; a dollar of purchasing power for a dollar's worth of goods and services available, no more and no less. I suggest that under such circumstances there could not possibly be any inflation.

Now let me suggest to the government that when unsaleable surpluses of goods begin to pile up on the shelves of the warehouses, as sooner or later they will because of the inherent weakness of the financial system, and when at the same time there are Canadians who need and want these goods for their own use, the government should arrange another credit expansion equal to the value of the goods to be removed, and see to it that this new money finds its way, debt-free, into the hands of consumers, starting first with old age pensioners, the blind, scholars who want to stay in school to finish their education but have not the means to do so, and the unfortunate of the country. I suggest that no Canadian should henceforth ever have to go hungry.

Mr. Pouliot: I am interested in what the hon. member is saying, and I would ask him not to read so fast, so that we will not miss a word of it.

Mr. Blackmore: I thank the hon. member for his interruption. However, my chief reason for reading fast is that I have quite a number of passages before me, and I should like to have them all on *Hansard*. The hon. member can read them tomorrow.

Mr. Pouliot: I will tell the hon. member why I say that: It is because that doctrine has never been explained in that way by the so-called supporters of the so-called Social Credit party in the province of Quebec.

Mr. Blackmore: If they ever had any people from Alberta down there they had it explained in exactly that way.

Mr. Pouliot: I admit that the Social Crediters from Alberta are much more clever than those of the province of Quebec.

Mr. Blackmore: Perhaps a better way of putting it is that the Social Crediters of Alberta are in touch with the original source.

Mr. Pouliot: Those of the province of Quebec are bloody fools.

Mr. Blackmore: We cannot be responsible for what the people down there may say. If one of them had been elected to the house and we had control over him, we would help him get right in his thinking.

Mr. Fraser: Control over him?

Mr. Blackmore: Yes; advisory control. At page 3234 of *Hansard* for 1946 I find these words by the hon. member for Peace River (Mr. Low):

To reassure my hon. friend, let me say that as he learns more about social credit principles he will see that for more than twenty years we have emphasized consistently this fact: money without goods is useless. We have also emphasized its necessary accompaniment: goods without money is stupid.

That sets it out pretty well. Now I quote from a speech by the same hon. member on May 6, 1947, as it appears at page 2813 of *Hansard*:

Thoughtful people are asking what there is in the budget to indicate that, as we advance into the period of mass production of consumer goods, the government will have in readiness a policy and machinery to maintain consumer purchasing power at a level sufficiently high to maintain a balanced economy.

At page 2816 of *Hansard* for the same year, during the same debate the hon. member said:

It is the quantity of money in the pockets to buy that makes employment. Our biggest job in the future will be to maintain that kind of purchasing power at a level high enough to ensure the distribution of our whole production. If we fail in that, our way of life, our freedom, the individual system of responsible enterprise are all doomed.

Again, on page 2817, referring to the Minister of Finance:

I challenge him—and I hope he will listen to what I say to him at this time—to rise in his place in this house and in his rebuttal say what he will do when there begin to appear unsaleable surpluses of goods in our country, the first signs of coming depression.

Again, on December 11, 1947, as recorded at page 187 of *Hansard* for that year:

Surely, Mr. Speaker, it is not a new idea to advocate that the people themselves are the best controllers; certainly it is not a new idea to advocate that the best way in the world to make it possible for the people themselves to control prices and the cost of living is for them to have in their hands at all times sufficient purchasing power with which to buy all the goods they have produced if they want them. Our present financial system does not do that. Over a long period our industrial system has resulted in the distribution of less purchasing power than the people needed to buy the goods they produced. That is one of the principal reasons we had to have such things as are being suggested today; that is why we have had to have the most-favoured-nation clauses, and Bretton Woods in trade treaties.

An hon. Member: And war.

Mr. Low: Yes, and war. The simple fact of the matter is that internal pressure to get rid of goods that are in surplus—not surplus above what the people want and can use but surplus above what the people can buy—is one of the greatest causes for the necessity for these bureaucratic or planned controls.

Again on May 21, 1948, at page 4261 of *Hansard*:

Mr. Speaker, those words of the hon. leader of the opposition exactly fit the proposals I have made today, because I have called for the use of the national credit for family allowances, old age pensions, floor prices, and so on. Such use of the national credit to the amount of $300 million means that purchasing power to that extent would circulate amongst the people without creating a debt at its source and without accumulating an interest burden throughout its whole life. It need never be cancelled out of existence until that day when production falls short of the purchasing power available in this country.

These passages are unmistakable. Surely if the hon. member had been a little concerned about getting things straight he would have at least consulted the speeches of the hon. member for Peace River. Now I quote from a speech made by the hon. member for Acadia (Mr. Quelch) during the debate in reply to the speech from the throne on March 11, 1949, at page 1404 of *Hansard*:

In order that a high standard of living may be maintained, we have always advocated that it would be necessary to use a certain amount of national money for the purpose of maintaining the purchasing power of the people at a level sufficiently high to maintain an effective demand against the production of the country. We have never advocated that more money should be issued than was necessary to maintain an effective demand. In other words, we are advocating that national money shall be issued to equate demand with supply.

Mr. Blackmore: We have always said that.

Mr. Quelch: It must be quite obvious that this is essential if we are to maintain the full development of our resources, because just the minute that demand lags behind supply, industry will reduce production, since no industry can continue to produce unless it can sell.

I should think that would leave no doubt whatever. I think it is a good thing just to show the hon. member that since he has been here in this house there have been statements by Social Crediters in which the whole situation in respect to production and money has been made perfectly clear. May I quote from the remarks of the hon. member for Peace River, following the quotation from Professor Plumptre which the hon. member for Churchill quoted before he proceeded to make his speech at page 1838 of *Hansard*, to which I have referred. At page 1537 of *Hansard* for April 4 the hon. member for Peace River said, referring to the expansion of credit:

What for? For the war effort; not to take care of the unemployed, not to offer social security, not to close the gap between the national product and the national income—

Showing once more that before any money whatever would be issued there would have to be production to justify it, and to absorb the money once it was put into circulation.

Now I should like to refer to something I said on the very day the hon. member for Churchill (Mr. Weaver) spoke. At that time I made a statement which, if the hon. member had been able to be here and listen to it,

would have set him right. In referring to the speech of the hon. member for Kamloops (Mr. Fulton), at page 1826 of *Hansard* I said:

—I would say that it would be a good thing for him to give a little attention to this general question: Canada since 1938 has more than doubled her production. She now is producing by way of $16 billion worth of goods a year; and she expects to be able to produce $16,250 million this year.

Judging by Canadian resources, I find it difficult to believe that we cannot double our production in the next twelve years, as we did in the last twelve. If brilliant young men of the type represented by the hon. member who has just taken his seat would devote their attention to the question of how to turn that full production into well-being of the Canadian people, they would not be cheeseparing, cutting off a little here and a little there. They would really open their eyes as to what could be in the future in a country so abundantly blessed with resources and the ability to transform those resources into the goods and services necessary for mankind.

There was another reference to the rapid increase in production and the possibility that money could be created to distribute that production among the people and enable them to consume it. Then I should like to quote another passage from the remarks of the hon. member for Lethbridge on October 25, 1949, appearing at page 1118 of *Hansard*. This is another passage which the hon. member for Churchill certainly could have read.

How much money can be created and used by the state? Enough money can be created and used, spent wisely into circulation, to enable people to buy the surplus goods on the market. If this is done and no more money is issued than enough to enable people to buy the goods, if that money is put into the hands of people who will buy, and is used to consume goods, then there will be no adverse results from the creation and issue of debt-free money.

Certainly that was clear enough; I do not see how words could make it any clearer. The big question is whether the hon. member was trying to find the truth. Now I shall leave that passage I have been discussing and refer for a moment to the statement to which the hon. member for Macleod (Mr. Hansell) alluded, the second one I referred to a while ago. I quote from page 1838 of *Hansard*:

This statement does not silence those critics. The creation of money as advocated by the hon. member can be done, but it is only another form of hidden taxation, and the most extreme and insidious form of all. Let us assume that we have $10 worth of production, and that there is $9 of purchasing power available.

Then assume that the government listens to our Social Credit friends and creates an additional $9 of purchasing power. We now have $18 of purchasing power and still only $10 worth of goods to back it up. By this indirect method the government will have taken in taxation half the goods. This type of hidden taxation has been used by unscrupulous governments many times in history; it is called inflation.

Once more the member implies, if he does not completely assert, that, in a case where there was $10 worth of production and only $9 worth of purchasing power, Social Crediters would advocate the creation of $9 of extra purchasing power. This is absolutely fallacious as the statements I have just read indicate. Would it not have been much better if he had said that, the government having $10 worth of production and $9 worth of purchasing power, it created $1 worth of purchasing power? How different it would have been in that case. The $9 worth of purchasing power would have been supplemented by the creation of $1 worth of extra purchasing power, so that you would have then had $10 worth of production and $10 worth of purchasing power. It would have balanced the economy; the surplus would have been distributed and prices maintained. Why any member would stand up and misrepresent the position of any other group when that position is scientifically stated, as the position of this group has been, it is utterly beyond me to comprehend. I wonder if someone else wrote the speech for him.

If the hon. member was in Alberta at the time he says he was, he heard Premier Aberhart in the days when he was campaigning. I do not see how he could very well have avoided hearing about certain books. One of those books was "Unemployment or War", by Maurice Colbourne; one was "This Age of Plenty"; and another one was "Distribute or Destroy". Those three books very adequately and clearly set forth the surplus production which has resulted from the widespread use of machines and technological skills, and the consequent shortage of purchasing power which has resulted in overproduction or underconsumption. There can be no possible excuse for a man who wanted to find the truth failing to get one or other of those books and read it.

People will say, it is a little bit strange that you should name those books. It is not strange at all. The thing that taught Premier Aberhart the truth concerning social credit and the unbalance between production and consumption in our day was "Unemployment or War" by Maurice Colbourne. I remember clearly the time when Premier Aberhart first got a copy of the book. I remember he read it over four times before he would leave it. When he first got it he sat up all night reading it. It gave him a new idea. It showed him how production increases so rapidly that surplus production develops and the only way in the world whereby purchasing power balances production is to have a war or to destroy a whole lot of production. As we have seen in the last two wars production is destroyed and purchasing power is increased in such a way that we have prosperity during the war. The Social Credit stand has been

that we certainly do not have to have a war in order to increase purchasing power in relation to the goods. We have found a means whereby we can do that without a war—a means that will make everybody well off.

This gentleman I think should read the book "This Age of Plenty", written by C. Marshall Hattersley. The book is written in a scholarly manner that would be appreciated by the hon. member for Churchill (Mr. Weaver). The book "Distribute or Destroy" is very clear; the title conveys the meaning that has been developed in the book.

It will be wondered by some whether what I have said about the stand which this group takes conforms with the stand of the social credit secretariat in London. Social Crediters throughout the world, when they are well informed, are more or less in close touch with the social credit secretariat in London, generally speaking, as to the philosophy and teaching. I have in my hand a book entitled "Elements of Social Credit", which was published in 1946 under the direction of the social credit secretariat of London, of which the advisory chairman is Major C. H. Douglas. He was the originator of the social credit idea, and from him we have all gathered our inspiration. What this textbook says then is fairly authentic concerning social credit—in fact, I will say it is absolutely authentic. I should like to read several passages from the book, but they will be couched in the careful language of Major Douglas, will be rather scientific and not very clear. If anyone will study them, however, the meaning will become quite clear. It is not observable on first reading.

I quote now from page 4:

> The course, then—

That is the course on social credit making up the book.

> —aims at as complete instruction as possible in a limited number of matters concerning social credit. All the matters which concern social credit have not yet been investigated. It is the youngest of studies, though possibly the most vitally important.

Notice these words.

> It concerns the efficiency of human beings in association (or in society) as measured in terms of human satisfaction.

And now put in the ordinary language of the man in the street, that simply means that social credit means the production power of a group of people working in a community with their resources to produce goods and services and deliver them as, when and where required; that is the meaning of social credit. The social credit movement is a movement based on the philosophy or technique in virtue of which it becomes possible for the community to gain access to its social credit and use it.

Now, I wish to read two or three other small excerpts from this book. I shall read now from page 7. There social credit is defined as:

> . . . the efficiency, measured in terms of human satisfaction, of human beings in association (or in society).

This passage has the same meaning as the other passage I quoted. Again on the same page, we find this:

> The power of human beings in association to produce the result intended, measured in terms of their satisfaction.

Of course this means the power of the community to produce goods. The attention of the reader is concentrated upon goods and services.

On page 8 of this book we have the following quotation:

> Social Credit, then, is a fact, not a theory. We shall try in this course to get to know as much as possible about this power—about every means of increasing it and every means of diminishing it.

The power referred to there is the power to produce goods with the resources the community has.

> The result will be more power in our hands to control it, whether we use that power or not.

On page 25, I read the following:

> The speculations concerning such matters have nothing to do with us as Social Crediters, unless they can be shown to affect the power of society to produce the result intended as measured in terms of human satisfaction.

Once again, that means goods.

> It is the definition of social credit that limits our technique.

There is one more quotation I should like to read from page 41:

> . . . the efficiency of human society as measured in terms of satisfaction to individuals (for all of those who support human society, or participate in human association, are individuals).

Now, the quotation as I have given it there once more refers to goods, so that the whole social credit attitude is based on the goods supply which is available and which may be rendered available with the means of production at the disposal of the community and the resources which are there to be worked up into goods and services beneficial and desirable to the community.

I trust, Mr. Speaker, that from this time forward all the members of the House of Commons, of any party whatever, will at least take the pains to know just exactly what social credit stands for. We are going to endeavour to understand the things for which

the other parties stand. We shall never advance this country by misrepresenting each other's stand.

If the Liberals cannot discredit social credit by placing the true meaning of social credit before the people and attacking it, that is clear evidence that social credit must have a far better case than they would have us believe. Surely if the case against social credit is strong, all that is necessary is to tell the truth about it. There is a group of people right here in the house who are able to show the truth and to establish it to anybody's satisfaction here in the house, to any degree that is desired. All we ask is the privilege of letting the people understand what social credit is, so that, when they talk, the people in the country can find out what it is. If social credit is sound, everybody wants to know; and I am sure even the Liberals want to know if it is sound. If it is unsound, everybody wants to know, and Social Crediters want to know.

I hope, Mr. Speaker, that it will not be necessary for me to make another speech like this as long as I am in parliament.

Mr. Solon E. Low (Peace River): I promise, Mr. Speaker, that I will not detain the house for more than two or three minutes from this vote that is to be taken. My kind and learned friend the hon. member for Temiscouata (Mr. Pouliot) has supplied me tonight with the perfect example of the kind of dollar that we do not want in Canada, this one which I am holding in my hand. Unfortunately, however, it is exactly the kind of dollar that the Minister of Finance (Mr. Abbott) is using today, and I am going to demonstrate that it is. Furthermore, I will not expect the minister to refute this in his rebuttal; but when his estimates come up, I want him to be prepared to meet what I am going to tell him now and to explain whether I am right or wrong.

If anyone will just take the trouble to examine an authentic work by Professor James Holladay called "The Canadian Banking System", which was written not too long ago and which now reposes in the parliamentary library, he will find that it is a book in which there is a foreword written by C. M. Short, an economist for one of the chartered banking companies in Canada. In his foreword Mr. Short writes an unqualified endorsement of what Dr. Holladay said. On pages 150 and 151 of the book Dr. Holladay shows the kind of money that Canadians are dealing in today as a result of the money system that they have adopted under the various finance acts and banking acts. This is what he says: "Under the present banking system in Canada, one dollar of basic gold deposit can be expanded and stretched into $84 worth of purchasing power". That is the kind of stretch there is, 84 times, in the kind of dollar you are using. Whenever anybody starts talking about rubber money and Social Credit funny money, I will challenge him to produce a funny money to compare with what you are using.

Furthermore, it is not just the question of stretch that causes the difficulty. When the stretch takes place, it must be remembered that unless something is done to ease the tension, the stuff will fly back and knock your head off. That is exactly what happens when the banking system begins to call in the expansion of credit that they have made in the course of stretching one dollar of basic gold deposit into $84 of purchasing power. It is deflation that is the real danger. What we are trying to get away from is the amount of stretch followed by the amount of retraction. Social credit money would not do that. Social credit money would not allow of an unprecedented expansion or stretch of that kind followed by some type of deflationary contraction. Social credit money would be based upon a 100 per cent cash reserve system, and therefore would be without that stretch.

I just point out to you the fact that in the last year before the war the total amount of gold, currency and bank deposits in Canada was approximately $2,248 million. What is it today, in 1950? It is three times as large. Where did it come from? It came from the amount of stretch, which the hon. member for Temiscouata has demonstrated so kindly by bringing in this rubber dollar that I hold in my hand, stretch through the banking system, as a result of expanding credits. As I have pointed out time and again, the danger is that at some time or other the banks may begin to lose confidence in borrowers' ability to repay and, when they do, start calling in loans which represent expansion. Then they will contract the credits and leave quantities of goods unsold or unmovable. Social credit says that that is not the state of things that should prevail in Canada.

I thank the hon. member for Temiscouata for bringing in this rubber dollar, because it demonstrates exactly what I wanted to put over, namely that the kind of dollar being used today by the Liberal government is a rubber dollar that has been stretched 84 times.

Mr. Rowe: Be sure to send that rubber dollar back to him.

Mr. Pouliot: I will say to my hon. friend that he has given an interesting explanation—

The Budget—Division

Mr. Knowles: Of your money.

Mr. Pouliot: —of the money he has now in his hand, a sample of rubber money. But I will remind him that there was also a social credit dollar.

Mr. Low: Yes.

Mr. Pouliot: And it had to be taken back by the Social Credit party—

Mr. Low: It was redeemed.

Mr. Pouliot: —because you could not do anything with it.

Mr. Low: Oh, yes, you could. It did its job. It did not stretch.

Mr. Pouliot: It was brought out among themselves, and it is precisely because it was worthless that they had to take it back.

Mr. Low: No. It did its job and finished its work.

Mr. Pouliot: If it were good, they would still have it.

Mr. Low: It finished its job.

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

Some hon. Members: Question.

Mr. Speaker: The question is on the amendment moved by Mr. Macdonnell (Greenwood). Shall the amendment carry? Those in favour of the amendment will please say "yea".

Some hon. Members: Yea.

Mr. Speaker: Those opposed will say "nay".

Some hon. Members: Nay.

Mr. Speaker: In my opinion the "nays" have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

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

YEAS

Messrs:

Adamson	Harkness
Argue	Herridge
Beyerstein	Higgins
Blackmore	Hodgson
Blair	Jones
Browne (St. John's West)	Knight
Bryce	Knowles
Catherwood	Lennard
Charlton	Low
Coldwell	Macdonnell (Greenwood)
Coyle	MacInnis
Ferguson	McGregor
Fraser	McLure
Gagnon	Noseworthy
Green	Pearkes
Hansell	Poulin
Quelch	Thatcher
Ross (Souris)	Tustin
Rowe	White (Hastings-Peterborough)
Shaw	Wright
Stanfield	Wylie—43.
Stewart (Winnipeg North)	

NAYS

Messrs:

Abbott	James
Applewhaite	Jutras
Arsenault	Kent
Ashbourne	Kickham
Bater	Kirk (Antigonish-Guysborough)
Beaudoin	Kirk (Digby-Yarmouth)
Beaudry	Lafontaine
Benidickson	Laing
Bennett	Langlois (Gaspe)
Bertrand	Larson
Blanchette	Lefrancois
Boisvert	Lesage
Boivin	MacKenzie
Bonnier	MacLean (Cape Breton North and Victoria)
Boucher	MacNaught
Bourget	McCulloch
Bradette	McCusker
Breithaupt	McDonald (Parry Sound-Muskoka)
Brisson	McIlraith
Brown (Essex West)	McIvor
Byrne	McWilliam
Cameron	Major
Campney	Maltais
Cannon	Masse
Carroll	Maybank
Carter	Monette
Cavers	Mott
Chevrier	Murray (Oxford)
Conacher	Murray (Cariboo)
Corry	Mutch
Cote (Verdun-La Salle)	Nixon
Cruickshank	Picard
Darroch	Pouliot
Decore	Proudfoot
Denis	Prudham
Dewar	Ratelle
Dickey	Richard (Gloucester)
Dion	Richard (St. Maurice-Laflecne)
Douglas	Richard (Ottawa East)
Dumas	Riley
Eyre	Roberge
Fauteux	Robertson
Ferrie	Robinson
Fournier (Hull)	Rooney
Fournier (Maisonneuve-Rosemont)	Sinclair
Gardiner	Smith (Queens-Shelburne)
Garson	Smith (York North)
Gauthier (Lake St. John)	Smith (Moose Mountain)
Gauthier (Lapointe)	Stewart (Yorkton)
Gauthier (Portneuf)	Stick
George	Stuart (Charlotte)
Gingras	Studer
Gingues	Tremblay
Goode	Viau
Gosselin	Ward
Gour (Russell)	Warren
Gourd (Chapleau)	Weaver
Gregg	Weir
Harris (Grey-Bruce)	Welbourn
Harrison	Whiteside
Helme	Winkler
Henry	Wood—129.
Hetland	
Hosking	
Huffman	
Hunter	
Isnor	

Mr. Gillis: I was paired with the Minister of National Health and Welfare (Mr. Martin). Had I voted, I would have voted for the amendment.

Mr. Smith (Calgary West): I was paired with the hon. member for Edmonton East (Mr. Macdonald). Had I voted, I would have voted for the amendment.

Mr. Leger: I was paired with the hon. member for Royal (Mr. Brooks). Had I voted, I would have voted against the amendment.

Main motion (Mr. Abbott) agreed to on division and the house went into committee, Mr. Beaudoin in the chair.

EXCISE TAX ACT AMENDMENT

Resolved, that it is expedient to introduce a measure to amend the Excise Tax Act and to provide, amongst other things:

1. That the excise tax of five per cent on toilet soap be repealed effective on and after March 29, 1950.

Resolution agreed to.

2. That the sales tax on the following articles be repealed effective on and after March 29, 1950—ice cream; drinks prepared from fresh milk; prepared whipping cream.

Mr. Fraser: Would this also include prepared drinks made out of milk such as Ovaltine and chocolate malted milk?

Mr. Sinclair: As far as the trade-named article is concerned, the answer is "No." As far as the second article is concerned, the answer would be "Yes", if it is prepared from fresh whole milk.

Mr. Fraser: There would be as much or perhaps more prepared milk in the Ovaltine than in the chocolate malted. I refer to the chocolate malted milk that is prepared and sold in the can.

Mr. Sinclair: I am not an expert on this sort of milk, but my recollection is that chocolate malted milk is sold as such as a preparation whereas Ovaltine is put out in a prepared form with which milk is mixed afterward. Milk itself is sales tax free, anyway.

Mr. Coldwell: Whole milk.

Mr. Sinclair: Fresh milk.

Mr. Coldwell: Chocolate drinks are made of skim milk.

Mr. Sinclair: I should have said fresh milk.

Mr. Fraser: These prepared drinks in the containers are at least half made out of milk. Half of the contents is milk. They contain milk, eggs, and things of that kind. Why is that not included here?

Mr. Sinclair: The answer is the same as I gave before. Somewhere there has to be a dividing line, and the dividing line requested last year by many members on this side of the house and on the other side was an exemption for dairy products such as ice cream and drinks made out of fresh milk. That has now been granted. It has not yet been considered proper to give such an exemption to these very special prepared drinks. The intent here of course is to assist the dairy industry. That can be best done by the adoption of this motion.

Mr. Fraser: I wish to ask another question. We have here a reference to prepared whipping cream. Does that refer to the new gadget now on sale, in the plastic container?

Mr. Sinclair: It includes more than that. Actually most whipping creams have some ingredients in them to make them whip more easily. It includes that type, and this new one which has the carbonic acid gas in it, so that when the cream comes out it is already whipped.

Mr. Fraser: It includes that?

Mr. Sinclair: Yes.

Mr. Fraser: You said first that whipping creams have something in them. I do not think the pure food regulations would allow anything like that. I am referring to these prepared whipping creams in the plastic container. Are not those containers manufactured in the United States? Are they manufactured here in Canada?

Mr. Sinclair: I am afraid I have not the least idea.

Mr. Fraser: If they are manufactured in the United States—I understand it is an American product—I do not think this should apply to them at all. The cream would be all right, but it has all kinds of mixtures in it.

Mr. Sinclair: Getting back to the purpose of the resolution: it is to give aid to the dairy industry. No matter whether the containers are made in Canada or in the United States, the cream in those containers is Canadian cream.

Mr. Knowles: Now that we are dealing with the sales tax, could the parliamentary assistant indicate, perchance by placing it on *Hansard*, a list of articles on which the sales tax still applies?

Mr. Sinclair: Last year I placed on *Hansard* the schedule to the Excise Tax Act. That information is to be found there. There is a long list of articles on which the sales tax does not apply. Anything not mentioned in that long list which is set out as schedule III to the Excise Tax Act of last year is affected

by the sales tax. Anything not there has the sales tax on it. I do not know why we should place on *Hansard* a schedule from the act, but if there is any desire we can place schedule III on *Hansard*, showing the list on which there is no sales tax.

Mr. Coldwell: It might be useful to the people who read *Hansard*.

Mr. Sinclair: With the consent of the house we can place on *Hansard* schedule III of the Excise Tax Act, a list of goods on which there is no sales tax.

Mr. Knowles: Before that is done, I do not think we should clutter up *Hansard*—even though I started the idea—with a list which would not be useful. It seems to me it would be more useful to have a list of articles on which the sales tax does apply.

Mr. Coldwell: It applies to everything, I understand, except these. If the exceptions are placed on *Hansard*, then it is clear.

Mr. Sinclair: I am very glad to have the help of the hon. member for Rosetown-Biggar because if the other list were placed on *Hansard* it would be a list as thick as *Hansard*.

Mr. Knowles: I am glad to have that admission from the parliamentary assistant, that the list would be a list as thick as *Hansard*. Does he mean as thick as *Hansard* of March 28 or of yesterday? In that connection may I point out that at page 30 in the budget papers appended to *Hansard* of March 28 the Minister of Finance has indicated that of the total revenues of the federal government last year 49·8 per cent were derived from direct taxation and 39·9 per cent from indirect taxation, the remainder of 10·3 per cent being attributable to non-tax revenue and special receipts and credits.

This amount of 39·9 per cent of indirect taxation includes excise taxes; and by looking at the figures in the table higher up on page 30 they would seem to run to more than half of the so-called indirect taxes. It seems to me if we are going to get away from these indirect taxes, which do not bear any relationship to ability to pay, that a very good place to begin would be by way of a further elimination of the sales tax.

Since the parliamentary assistant feels it is not wise to put on *Hansard* a volume as thick as *Hansard*, may I ask him if he has any information concerning the percentage of purchases made by Canadian people that have the sales tax applied to them?

Mr. Sinclair: That would be difficult to obtain. When I referred to a list as thick as *Hansard*, I would say to the hon. member that he need only step into a jewelry shop, look around him and see all those articles displayed, every one of which has a sales tax on it, to realize why the exact description of these articles would fill many pages. On the other hand, to give at least the headings in schedule III, might I point out that almost all foodstuffs are exempt, almost all things used in farming, mining and quarrying operations, and equipment for marine and fisheries are exempt, and things connected with religious, charitable and educational activities. A very large list of building materials is exempt.

Perhaps it might be helpful to readers of *Hansard* if this list were placed on *Hansard*.

Mr. Coldwell: I think so.

The Deputy Chairman: Has the parliamentary assistant permission to place the list on *Hansard*?

Some hon. Members: Agreed.

Mr. Sinclair: It is as follows:

SCHEDULE III

Foodstuffs

Barley; bread; butter; cheese; cream; eggs, egg albumen and egg yolks; glucose; honey; ice; lactose; lard; rice; salt; soups; split peas; sugar; yeast; yogurt;

Bakers' cakes and pies including biscuits, cookies or other similar articles;

Cereal breakfast foods not including beverages;

Fish and edible products thereof;

Flour including pastry, cake, biscuit, and similar mixes;

Foods prepared and sold exclusively for feeding infants;

Fruit, fresh, canned, frozen, dried or evaporated;

Grain grits and meals;

Jams, jellies, marmalades, and preserves;

Malt syrup, except when sold for beverage purposes;

Maple syrup; corn syrup; table syrups, molasses, and materials to be used exclusively in the manufacture thereof;

Meats and poultry, fresh, cooked, canned, frozen, smoked or dried;

Milk, including buttermilk, condensed milk, evaporated milk, and powdered milk;

Peanut butter and shortening and materials for use exclusively in the manufacture thereof;

Spaghetti, macaroni, and vermicelli;

Vegetables, fresh, canned, frozen or dehydrated, not including pickles, relishes, catsup, sauces, olives, horseradish, mustard, and similar goods;

Vegetable juices; fruit juices which consist of at least ninety-five per cent of pure juice of the fruit.

Farm and forest

Bees; casein; fertilizer; hay; hops; shorts; straw;

Alfalfa meal;

Animals, living;

Baling twine for baling farm produce, and articles and materials to be used or consumed exclusively in process of manufacture thereof;

Beet pulp, dried;

Drain tiles for agricultural purposes;

Farm produce sold by the individual farmer of his own production, not to include flowers, flowering plants or bulbs, when the sales thereof exceed five hundred dollars per annum;

Feeds for fur-bearing animals whose pelts have commercial value;

Forest products when produced and sold by the individual settler or farmer;

Furs, raw;
Gopher poison, and materials for use exclusively in its manufacture;
Grain or seed cleaning machines and complete parts thereof;
Grains and seeds in their natural state;
Harness for horses and complete parts therefor, and articles and materials to be used exclusively in the manufacture thereof;
Hides, raw and salted;
Logs and round unmanufactured timber;
Milk albumen, when for use exclusively in the production of animal or poultry feeds;
Nursery stock;
Oil cake, oil cake meal;
Peat moss when used for agricultural purposes, including poultry litter;
Poultry, cattle and other stock feeds;
Poultry, living;
Preparations or chemicals sold for disinfecting, dipping or spraying and so used in agriculture or horticulture, and materials for use exclusively in the manufacture of such preparations;
Sap spouts and sap buckets, evaporators and complete parts therefor, when for use exclusively for the production of maple syrup;
Sawdust and wood shavings;
Settlers' effects;
Vegetable plants;
Wool not further prepared than washed;
Woollen rolls or wool yarn milled for a producer of wool from wool supplied by him for his own use;

Engines

Internal combustion traction engines, and portable engines with boilers in combination, for farm purposes, or for use exclusively in the operation of logging, such operation to include the removal of the log from stump to skidway, log dump or common or other carrier, and complete parts of all the foregoing, and articles and materials, not to include plant equipment, to be used or consumed exclusively in the manufacture of the foregoing engines, boilers or parts thereof;

Mines and quarries

Crushed stone or crushed gravel;
Gold and silver in ingots, blocks, bars, drops, sheets or plates unmanufactured;
Ores of metals of all kinds;
Sand, gravel, rubble, and field stone;

Marine and fisheries

Boats *bona fide* purchased by fishermen for use in the fisheries, and articles and materials to be used exclusively in the manufacture, equipment or repair of such boats;
Carrageen or Irish moss;
Cotton duck and cotton sail twine to be used only in the manufacture of equipment for ships or vessels;
Rope and cordage of cotton, hemp, manila or other vegetable fibre, not exceeding one and one-half inches in circumference, for the fisheries, not including these articles for sportsmen's purposes, and materials for use only in the manufacture thereof;
Materials for use only in the construction, equipment and repair of ships;
Materials used as ingredients in canned fish;
Ships licensed to engage in the Canadian coasting trade;
Sinkers, and floats including trawl kegs, when for use exclusively in the fisheries, not including these articles for sportsmen's purposes;

Religious, charitable, health, etc.

Insulin; radium;
Articles and materials for the sole use of any *bona fide* public hospital certified to be such by the Department of National Health and Welfare, when purchased in good faith for use exclusively by the said hospital and not for resale;
Artificial eyes;
Artificial limbs, and parts thereof;
Bibles, missals, prayer books, psalm and hymn books, religious tracts, Sunday school lesson pictures, books, bound and unbound, pamphlets, booklets, leaflets, scripture, prayer, hymn and mass cards and religious mottoes and pictures unframed, for the promotion of religion, and materials to be used exclusively in the manufacture thereof, but not including calendars, parish reports, forms, stationery or programs;
Donations of clothing and books for charitable purposes;
Liver extract for use exclusively in the treatment of anaemia;
Memorials or monuments erected in memory of members of the armed forces who lost their lives in the service of their country;
War veterans' badges;

Printing and educational

Manuscript; newspapers;
Books for the instruction of the deaf or dumb;
Magazines and literary papers unbound, regularly issued at stated intervals, not less frequently than four times yearly, and printing paper and printing ink for use exclusively in their production;
Photographs, paintings, pastels, drawings and other art work and illustrations of all kinds, whether originals, copies or proofs, and printing plates made to reproduce the same, for use exclusively as non-advertising news pictures or for illustrating non-advertising articles or stories in periodical publications enjoying second-class mailing privileges, the pages of which are regularly bound, wire stitched or otherwise fastened together;
Text books, printed, authorized by the department of education of any province in Canada and photograph records so authorized for instruction in the English and the French language, and materials used exclusively in the manufacture thereof;

Diplomatic

Articles for the use of the governor general;
Articles imported for the personal or official use of the heads of diplomatic missions, high commissioners representing other of His Majesty's governments, counsellors, secretaries and attachés at embassies, legations, and offices of high commissioners in Canada, trade commissioners, representing other of His Majesty's governments, consuls general of foreign nations who are natives or citizens of the countries they represent and who are not engaged in any other business or profession; automobiles, cigars, cigarettes, manufactured tobacco, ale, beer, stout, wines, spirits, purchased in Canada by any of the foregoing;

Certain building materials

Bricks; building tile, building blocks, and building stone;
Plaster; lime; cement;
Lumber; sash; doors; shingles; lath; siding; stairways;
Plaster boards, fibreboard, building paper and materials, other than wallpaper, manufactured wholly or in part of vegetable or mineral fibre for wall coverings or building insulation;
Paints, varnishes, white lead and paint oil;
Prepared roofings;
Shower baths, bath tubs, basins, faucets, closets, lavatories, sinks and laundry tubs, not including repair parts therefor, nor pipes and pipe fittings;
Cast iron soil pipe and cast iron fittings therefor;
Glass for buildings;
Furnaces, hot water and steam radiators not to include fittings, for the heating of buildings;
Locks and lock sets;

Structural steel to be used exclusively for the framework and support of buildings;

Articles and materials to be used exclusively in the manufacture or production of the aforementioned building materials;

Coverings

Usual coverings to be used exclusively for covering goods not subject to the consumption or sales tax and materials to be used exclusively in the manufacture of such coverings;

Fire Brick, Refractories, Etc.

Fire brick, plastic refractories, high temperature cement, fire clay and other refractory materials for use exclusively in the construction or repair of a furnace, kiln or other equipment of a manufacturing establishment, and materials to be used or consumed exclusively in the manufacture of such fire brick or refractory materials;

Processing Materials

Materials (not to include lubricating oils) consumed, otherwise than by waste or wear, in the process of manufacture or production of taxable goods;

Machinery and Apparatus to be Used in Manufacture or Production

Machinery and apparatus, as defined by the Minister of National Revenue, and complete parts thereof which, in the opinion of the minister, are to be used directly in the process of manufacture or production of goods;

Provided that this exemption shall not apply to office equipment or motor vehicles, except diesel powered self-propelled trucks, mounted on rubber tired wheels, for off-highway use exclusively at mines or quarries, and complete parts thereof;

Miscellaneous

British and Canadian coins and foreign gold coin;
Electricity;

Fuel for lighting or heating, but not including fuel when for use in internal combustion engines; crude oil to be used in the production of fuel;

Natural gas and gas manufactured from coal, calcium carbide or oil for illuminating or heating purposes;

Goods Enumerated in Customs Tariff Items

173, 209b, 236b, 352a, 364, 406, 409, 409a, 409b, 409c, 409d, 409e, 409f, 409g, 409h, 409i, and complete parts thereof, 409j, 409k, 409q, 439c, 440k, 460, 476, 476a, 480, 480a, 538, 663b, 666, 667, 682, 692, 692b, 693(i), 695a, 695b, 696, 696a, 698, 700, 701, 702, 703, 704, 708, 786, 848;

Articles and materials which enter into the cost of manufacture of the goods enumerated in tariff items 409, 409a, 409b, 409c, 409d, 409e, 409f, 409g, 409j, 409k, 409o and 439c, when imported by manufacturers for use exclusively in the manufacture in their own factories of the goods enumerated in the aforesaid tariff items, under regulations prescribed by the minister;

Articles and materials to be used exclusively in the manufacture of goods enumerated in Customs Tariff items 173, 406, 409, 409a, 409b, 409c, 409d, 409e, 409f, 409g, 409h, 409i, 409j, 409k, 409q, 410b, 411, 411a, 411b, 439c, 440k, 476, 476a, 480, 480a, 538, 663, 663a, 663b, 666, 667, 696, 848;

Materials not to include plant equipment consumed in process of manufacture or production, which enter directly into the cost of goods enumerated in Customs Tariff items 406, 409, 409a, 409b, 409c, 409d, 409e, 409f, 409g, 409h, 409i, 409j, 409k, 409q, 410b, 411, 411a, 411b, 439c, 440k, 476, 476a, 480, 480a, 538, 663, 663a, 666, 696.

1948, c. 50, s. 14; 1949, c. 21, s. 12.

[Mr. Sinclair.]

Mr. Knight: The parliamentary assistant has mentioned exemptions in respect of educational equipment. I am thinking particularly of books. I do know that books on the curricula of recognized universities and schools are exempt from sales tax. I also believe that that sales tax, however, is applied to reference books which professors in universities and teachers in educational institutions require for reference either in connection with work in the curricula or for the improvement of their own standard of education.

This seriously affects professors and teachers who in view of their qualifications, as a class, are not particularly well paid, as compared with people in business, or other vocations. I believe we need more rather than less books. For example the number of books per capita read in Canada compares very unfavourably with the record in other countries, notably Great Britain. It should be the policy of the government to encourage rather than to discourage the reading of books by such a device as placing taxes upon them. I am referring to books of an educational nature entering the country. This should be brought forcibly to the attention of the government. I know it has been asked for in the past, but I do not know to what extent the government has given it consideration.

Mr. Sinclair: I agree with the hon. member that it is an important matter, and it is a point which has been discussed at some length. I might point out, to begin with, that a very great range of books today are free from sales tax and, if they are imported, from customs tariff. They include:

Books which are included in the curriculum of any university, college or school in Canada for use as textbooks or as works of reference, not to include dictionaries; printed books, pamphlets and cards for use in schools to test the degree of intelligence of pupils; all books for bona fide libraries, and being the property of the organized authorities of such libraries and not in any case the property of individuals or business concerns, under such regulations as may be prescribed by the minister; directories for free reference libraries; books received from free lending libraries abroad, subject to return under customs supervision within sixty days.

The great difficulty with the class of books to which the hon. member refers, those in private possession, is to draw the line between what are educational books and what are not. It is a very difficult line to draw, a line which also greatly affects these gentlemen in the taxation division, because obviously they have to keep abreast by buying these very expensive books. At the moment the best division that can be devised as far as tax purposes are concerned is the one I have just read.

Mr. Hansell: I trust the question I am going to ask will not be considered trivial, because I am interested in the welfare of the boys and girls of the country. I should like to know the minister's answer when I ask him how the repeal of the excise tax on ice cream and drinks prepared from fresh milk is passed on to the consumer. The boys and girls still buy ice cream cones that are scooped out of the freezer with the same scoops, and are just as small as ever. They pay the same prices as before. Drinks prepared from fresh milk are still poured into the same size tumblers we have always used, and we still have to pay the same price. It is an admirable thing to repeal the excise tax on these articles, and I am not disappointed with that; but so often these tax reductions or removals are not passed on to benefit the consumer. I should like to know how the repeal of that tax is passed on to the benefit of the consumer. I do not know why this budget should not go down in history as the government's ice cream budget. On the whole it has been cold comfort to most people. When the youngsters cannot get any more ice cream for their money than they got in the past, or a larger drink of malted milk than in the past, certainly it is cold comfort to them, though I do not suppose the boys and girls know very much about budgets.

Mr. Sinclair: Well, Mr. Chairman, I am forcibly reminded of the debate in this connection last year. At that time the hon. member for Melfort, who is sitting right in front of the hon. gentleman, raised the same point. I told him then our calculation showed that the saving would be about one-sixth of a cent on an ice cream cone and one cent on a brick. As I recall it, the response to that observation, particularly by members coming from Quebec ridings, was that that was all right, because it would be the primary producer who would pick up that extra saving. Obviously it is impossible for the retailer to pass on a saving of one-sixth of a cent, but it does make his ice cream a little more attractive to sell in competition with other goods a child might normally buy with his five cent piece. As far as the saving on ice cream bricks is concerned, I believe in some localities the saving of one cent has been passed on. Once again, however, I do not think the intent here was to aid either the child or the retailer. The plea I heard last year was for aid to the dairy farmer, who had been hard hit by the sale of margarine.

Mr. Coldwell: One other way would be to fix a standard for ice cream, and say that the ice cream could be somewhat enriched. It seems to me the ice cream we have been getting for the last several years has been made very largely with powdered milk, and with very little cream in it. If they put a little more cream in their ice cream I think it would help a great deal.

Mr. Sinclair: I shall draw my hon. friend's remarks to the attention of the Minister of Agriculture.

Mr. Fraser: Last session I asked the Minister of Agriculture if the cream content of ice cream could not be raised, and shortly afterward I was informed that it could be, and it was raised from 10 per cent to 13 per cent.

Mr. Sinclair: Thank you.

Mr. Quelch: Does the retention of the sales tax on schoolbooks also apply to all school equipment?

Mr. Sinclair: No, it does not apply to all school equipment.

Mr. Quelch: What is the situation regarding school busses? I believe the excise tax was taken off last year, but does the sales tax still apply?

Mr. Sinclair: The excise tax was taken off; the sales tax still applies.

Mr. Knowles: Has the parliamentary assistant the answer to the question I asked a moment ago? What about clothing?

Mr. Sinclair: There is a sales tax on clothing.

Mr. Knowles: Then I have just this further comment on this resolution. We are all glad to see the sales tax taken off some items, but our point is that it should be taken off still more. I refer once more to the table I have already indicated, on page 1306 of the budget papers which were appended to *Hansard* for March 28. That table shows not only the larger brackets I gave a few moments ago, but also in more specific detail that excise taxes, in the whole of the last fiscal year, accounted for 22·3 per cent of the revenue of the federal government. That heading of excise taxes would include some taxes other than the sales tax, but I think I am correct in saying that the sales tax is the major item. On the other hand the percentage of the total raised by individual income taxes was only 24 per cent; in other words they are about the same. Canadians were led to feel that something generous was done for them when the income tax was lowered in 1949, but I think most Canadians will realize the significance of the percentages I have just mentioned. These show that taking Canadians as a whole, for every dollar we pay in income tax, and know we are paying, we pay a dollar in excise tax that we do not know about.

The most undesirable feature about the dollar we pay and do not know about is that it is assessed against Canadians without any necessary relationship to ability to pay. Amounts collected under the income tax are related to some extent to the ability of the taxpayer to pay, but these excise and sales taxes are the same whether the purchaser is living on an old age pension, or a superannuated civil servant's pension, or a veteran's or disability pension, or a war veteran's allowance, or is a worker at $150 or $200 a month, or is a person in the higher income brackets. In other words I am pleading with the government again, in assessing the whole financial situation with respect to federal revenues, to get away from the indirect taxes that are not based upon ability to pay, and move in the direction of a fairer kind of taxation.

Mr. Sinclair: I only wish I had at hand the very excellent reference to Hugh Dalton which I gave last year, about the place of indirect taxation in any practical taxation field. It is quite true that theoretically the income tax is the fairest tax, being based on ability to pay; but every country that in time of war has imposed excessive rates of income tax has found they have had a very bad effect on the production of individuals, groups of individuals and companies. Somewhere there must be a balance, that is a balance between what we obtain from direct taxation and indirect taxation. In this country we have tried to make our indirect taxation progressive, as is the income tax. In the case of the income tax, the higher your income the higher the tax.

With our indirect taxation, first of all there are the lists, which you will see in *Hansard* tomorrow, of the goods on which there is no sales tax or excise tax. It will be found that the person to whom the hon. member referred, the person on old age pension or burnt-out pension, would obtain a great part of his actual requirements from the goods in that list. Then there is the other group, containing practically everything else in the country, on which sales tax is levied. It is quite true that one of the items there is clothing, but once again there is the matter of progression. The purchases of clothing by persons in those circumstances will be far less than those of persons with higher incomes.

Then there is the third group in our taxation structure of less essential goods on which a further ten per cent is levied. This covers luxury goods such as perfumes, leather goods and things like that. Once again one does not expect the people on these small pensions to purchase many of these articles.

Lastly, we have the excise duties which are traditionally high on liquor and tobacco. It is quite true that many of these people do derive great comfort from tobacco. On the other hand, so far as the liquor tax is concerned, you will not find very many purchases being made by the people in these low income groups. On the other hand, the people in the higher income groups do spend an increasing part of that income on goods upon which there is a heavier tax. We have tried, therefore, even with our indirect taxes, to have a measure of progression so that the higher a man's income the more he is likely to have to pay in such taxes.

Mr. Knowles: May I just ask the parliamentary assistant to confirm or deny this comment? An impression might be obtained from what he has just said that a fairly large proportion of these excise taxes might be taxes on liquor and so on. As I read the table the Minister of Finance gave on page 1213, it seems to me to be clear that the sales tax accounted for $400 million in the last fiscal year, and that the other excise taxes—which I take it are the liquor taxes—accounted for only $153 million. If I am wrong, will the parliamentary assistant correct me?

Mr. Sinclair: The fourth level is the group with no sales tax. The first group is with the sales tax, then the group with excise tax, the group with ten per cent, and then there is this top group, including liquor and tobacco, on which there is an excise tax at a very high rate. Last year we raised from them $229,190,669, and from the sales tax, we received—perhaps it would be easier to put it in round figures—$415 million; and liquor and tobacco taxes, $229 million.

Mr. Shaw: Mr. Chairman, during our discussion on the sales tax last fall, I had occasion to make a rather strong plea for the remission of sales tax on machinery purchased by municipalities. As I pointed out on that occasion, that arrangement does exist under which the moneys paid in this way are remitted to the provincial governments. I suggested that the government might extend this same consideration to municipal governments. A partial explanation was given on that occasion, but I believe it was said that further consideration would be given to this matter.

Obviously, if consideration was given it had no particular bearing upon the attitude of the government because no concessions have been made in that direction. In my plea last fall I was supported by members from other parties within the house, in fact by members who had a good deal of municipal experience and who sit on the government benches. The association of rural municipalities in my own province unanimously

endorsed a resolution asking for favourable consideration of this matter. I rather fancy that the same action has been taken by municipal governments through their organizations in other provinces. No doubt the government has received representations in this respect, and I should like to ask the parliamentary assistant if he can give some justification for the decision which the government still persists in adopting in this connection.

Mr. Sinclair: Representations have been received within the last year from the municipalities in every province in Canada on this matter, I believe. Naturally every group who have a tax of any description, whether it be income tax, sales tax or excise tax which applies to them, are always keen to see that tax removed.

Mr. Shaw: But this is a government.

Mr. Sinclair: Yes, and through their endeavours consideration was given to the request, as it is always given to a request for the removal of a tax; but the budget committee decided, and the government approved, that because of our need for revenue we could not at this time remove the sales tax on that equipment.

Mr. Macdonnell (Greenwood): Do you ever have anyone asking to be taxed?

Mr. Sinclair: We did in one instance.

Mr. Knight: There are machines purchased by municipalities upon which no tax should be applied, and that is fire-fighting equipment. We read of the tragedies which happen in this country in which people lose their lives because the municipality in question was unable, through economic circumstances, to buy the proper fire equipment. We read continually of the poor type of engines, and some places go without fire equipment at all because of the high cost of that machinery. I do not see how any government can justify the imposition of a tax on machines used for the preservation of life. The Minister of National Defence quite freely admitted to me in the course of debate in this house that these machines form part of the defence equipment of this country. Municipality after municipality is in the position of having either inadequate fire equipment or none at all. I should like to hear a comment from the parliamentary assistant on the justification of the present tax against such fire equipment. Has he anything to advance?

Mr. Sinclair: I cannot add anything to the answer I have just given.

Mr. Baier: In connection with the taxes on machinery owned or purchased by municipalities, will the parliamentary assistant say whether the provincial governments in every province of the dominion pay these taxes?

Mr. Sinclair: The answer is no.

Mr. Fleming: May I ask the parliamentary assistant about another type of equipment, and the reason why some consideration has not been, or may not be, given to it? The parliamentary assistant may be aware of a resolution passed by the Canadian construction association at its annual meeting in Montreal last January. I should like to bring it to his attention. It reads as follows:

> Whereas: The incidence of the federal sales tax of eight per cent falls inequitably on many types of building and road construction material, some being exempt and others, without apparent logical reason, continuing subject to the impost,
>
> And whereas: The previous action of the government in removing the sales tax from certain construction materials was of great value in reducing construction costs,
>
> Therefore be it resolved: That this association petition the Hon. Minister of Finance to further reduce construction costs and to remove the present uneven incidence of sales tax on building and engineering materials by extending the exemption from such tax to all building and engineering materials.
>
> And further: That similar representations be made to all provincial and municipal governments which impose similar taxes on building and engineering materials.

May I ask the parliamentary assistant whether any consideration has been given to the removal of sales tax on that type of equipment?

Mr. Sinclair: A great deal of consideration has been given in the last three years to the exemption of building materials. The exempted list has been continually revised and today it covers almost every item used in the construction of the ordinary house. When you get into the more elaborate type of construction, such as theatre construction and the fancy types, some of the fittings used there are subject to sales tax. Once again it gets back to this idea of getting some measure of progression into our sales tax. We have been reviewing that list with regard to building materials, and I believe we have exempted most of the things that go into the construction of the ordinary home. If you look, you will find that almost every possible thing which is used in the construction of the ordinary home is being exempted from sales tax.

Mr. Wright: I should like to refer to the case which occurs along the border where a United States firm may come in and bid on a contract for road work, digging a pipe line

or on other contracts which may be let in Canada. They bring their equipment in from the United States to do that work. As to the Canadian company obtaining their equipment, with the sales tax and tariff it costs them approximately 35 per cent to 40 per cent more than the equipment costs the United States company bidding on the same contract. What is the position of that equipment being brought in here? Is there any charge or tariff against it? If not, there is some most unfair competition in the contract being bid on.

The Deputy Chairman: Order. Before the parliamentary assistant replies to this question, there is something I should like to draw to the attention of the committee. I should have interfered before. It seems to me that speeches in committee of the whole ought to be strictly relevant to the item or clause under discussion. We have now before us paragraph 2 which repeals the sales tax on a number of items, namely, ice cream, drinks prepared from fresh milk and prepared whipping cream. I am not going to make a ruling. I am merely asking myself how far I can permit hon. members to go when they ask questions on machinery and various other items. We are on paragraph 2; and although I am not making a ruling I repeat that I should be inclined to think that once questions have been asked on ice cream, on drinks prepared from fresh milk and on prepared whipping cream, we should be prepared to carry the item.

Mr. Wright: I am sorry, Mr. Chairman. I thought we were on paragraph 3.

The Deputy Chairman: Shall paragraph 2 carry?

Mr. Fleming: May I thank you, Mr. Chairman, for your statement, because I thought we were on paragraph 3.

The Deputy Chairman: Shall paragraph 2 carry?

Mr. Fleming: No. I was sorry I had not entered the house in time to ask a question or to make an observation on paragraph 2; your interjection therefore is most timely and I thank you for it.

The Deputy Chairman: Order. Since the discussion has been proceeding on paragraph 3, shall we consider paragraph 2 as having been allowed to stand? We shall carry on with discussion of paragraph 3 and come back to paragraph 2, provided that the hon. member for Eglinton is the only one who wants to ask a question.

Mr. Quelch: Will the parliamentary assistant explain what articles are referred to in paragraph 3? Does that mean that articles of every kind and character bought by an institution are exempt from sales tax, including hardware, clothes and furniture for the use of the institution?

Mr. Sinclair: That is the intention. There has always been a strong feeling that this exemption which was granted to the hospitals should be extended to a group of institutions which are closely allied to hospitals. For example, in my province, and I am quite sure in other provinces also, there are the homes for incurables which are not properly hospitals. But nevertheless they require, for the treatment of these old people, a great deal of hospital equipment such as hospital beds; in addition, they supply medical equipment which would be supplied free if these incurables, instead of being in a home for incurables, were in a proper hospital. As you know, one of the great attempts being made today is to try to clear our hospitals of that type of case and put old people in old people's homes or nursing homes. That is one of the reasons.

The second class to which this section applies is orphanages. It seemed unfair that this sales tax exemption should be given to all hospitals and not to orphanages. There are some hospitals which are in not too bad financial condition whereas no one knows of any orphanage which is in a good financial position. So this resolution, which has been demanded again and again by members in all parts of the house, has been brought forward. It is going to be necessary when the bill is brought down to spell out clearly just what type of institutions are going to be covered so that there will not be any abuse. We have had to do that in connection with the hospitals too. With the hospitals we take the certification of the provincial government as evidence that they are bona fide hospitals. But the group of institutions which are covered in this resolution will be carefully enumerated when the actual bill is brought down, and goods bought by those institutions for use in those institutions will be free from sales tax.

The Deputy Chairman: Shall paragraph 3 carry?

Mr. Thatcher: No. There is one point I am not quite clear on. I think this is a first-class amendment. Suppose one of these institutions goes to a retailer or to a wholesaler to buy certain merchandise. How do they get that eight per cent sales tax back?

Mr. Sinclair: Provision will be made in the act for refund of the sales tax which was paid.

Mr. Thatcher: Who will refund the money, the retailer or wholesaler?

Mr. Sinclair: It will go to the institution. The institution itself will file, as do hospitals today, for refund on those things which were bought.

Mr. Thatcher: Is that on anything they buy, no matter how small it may be?

Mr. Sinclair: No matter how small or large.

Mr. Browne (St. John's West): Reading this paragraph, I notice it contains the words "public institution". Is there any provision to exempt private hospitals from the payment of sales tax on similar materials or articles purchased?

Mr. Sinclair: The distinction is that a private hospital that has been run for gain or profit has never qualified for this. They had to be public institutions which take in the general public and were supported by grants from the public treasury, provincial, municipal or federal.

Mr. Macdonnell (Greenwood): Perhaps it is run for profit but makes a loss.

Mr. Browne (St. John's West): Like the one in Montreal; Notre Dame, I think it is. It is nearly bankrupt.

Mr. Sinclair: Articles and materials for the use of any public hospital certified as such by the Department of National Health and Welfare, when purchased in good faith for the exclusive use of such hospital and not for resale, are exempt.

The Deputy Chairman: Shall the paragraph carry?

Mr. Browne (St. John's West): No. I would suggest that the government should give consideration to a revision of that section to enable private institutions which are really being operated for charity, such as those institutions or hospitals which are conducted by the Sisters, to get this advantage.

Mr. Sinclair: Those are covered in this, as are the hospitals.

Mr. Benidickson: They could be certified.

Mr. Browne (St. John's West): But they are private institutions, are they not?

Mr. Sinclair: They are not private institutions in the sense that they are run for gain or profit. Such hospitals have been covered in this previous section and it is the intention to cover in the bill such religious hospitals, orphanages or old people's homes. In the bill it will be necessary to spell out carefully exactly the type of public institution to which we are going to give this aid. We do not intend this aid to be given to old people's homes which are run for profit or hospitals which are run for profit.

Mr. Rowe: Old people's homes that are run by a municipality will be included?

Mr. Sinclair: If they receive grants from the provincial government by way of assistance, that qualifies them.

Mr. Shaw: I for one support paragraph 3 in its reference to these institutions and the exemption from sales tax. I notice it refers to the aged, infirm or incapacitated persons. This brings to my mind an important matter which I have brought to the attention of this committee upon previous occasions. We have in Canada, for example, an organization known as the Red Cross which solicits funds and does excellent work for the unfortunate in cases of flood, fire, disaster and so on. After working hard to procure the money, from which it gets no personal benefit since it is used for the assistance of the unfortunate, the government jumps into the picture and grabs sales tax on many of the commodities which it purchases and gives to the unfortunate. I have often wondered what justification there could be for the government grabbing this slice.

Mr. Sinclair: The slice to which my hon. friend refers could best be referred to as a crumb. All items used in Red Cross hospitals are exempt, just as are those in any other hospital. Most of the aid given by the Red Cross, as I recall it, is in the nature of food, and food is exempt from sales tax, or medical equipment; and you will find that most medical equipment is also sales tax free.

Mr. Shaw: It is all a question of whether you kick a man hard or not so hard. There is a principle involved. While I appreciate the fact that many things are exempt, it is true that certain things still bear that sales tax. It was a matter of principle, not so much a matter of dollars. If there is such a small amount of money involved, there should be all the more reason for the government cutting the sales tax out there, because a moment ago the parliamentary assistant emphasized the necessity for procuring revenue as his reason for the government not giving favourable consideration to the other matters which I brought up a few moments ago. This was just a matter of principle.

Mr. Sinclair: The matter of principle goes a little beyond the Red Cross. There are many good charities in this country; there are some doubtful charities.

Mr. Shaw: I suppose so.

Mr. Sinclair: The thing is, any act applied to charities would have to indicate very care-

fully the qualifications of the charity, and that is a very difficult thing to do. It is much easier, as far as administration is concerned, to see that the principal thing is handled by the Red Cross, and all things handled by Red Cross hospitals are sales tax exempt.

Mr. Bater: There are many old folks homes that may be operated for gain. How will this repeal apply to the Salvation Army, which operates old folks' homes?

Mr. Sinclair: The Salvation Army today have their hospitals classed as public institutions and if they run their old folks' homes —and I am sure they do—in the same fashion, they will get it. The type of old folks' homes which will not be exempt are fairly common on Vancouver island. They are places to which people who have some means actually go and pay for their care. People live together in a small community in pleasant cottages, and these cottages are classed as old folks' homes. They are not in the same category as hospitals run by the Salvation Army or by a municipality or a province.

Mr. Knowles: I should like to know if institutions which at present can pass these other requirements and receive aid from institutions like the Red Feather will qualify?

Mr. Sinclair: I would ask the hon. member to wait until he sees what is actually in the bill. Let us not discuss it in too much detail just now.

Mr. Wright: Before the resolution carries I want the parliamentary assistant to answer the question I raised with regard to United States contractors coming into Canada with equipment and bidding on contracts against Canadian contractors who have to pay sales tax, excise tax and customs duties on their equipment.

Mr. Sinclair: I would ask the hon. member to hold that question until the third group of resolutions on the customs tariff are up. It is a very interesting question. I myself would like to have the answer to that. If the hon. member will ask the question when the third set of resolutions on the customs tariff are up I shall have the answer then.

Resolution 3 agreed to.

The Deputy Chairman: We will now revert to resolution 2.

2. That the sales tax on the following articles be repealed effective on and after March 29, 1950—ice cream, drinks prepared from fresh milk; prepared whipping cream.

Mr. Fleming: This resolution proposes the removal of the sales tax on ice cream, drinks prepared from fresh milk, and prepared whipping cream. I wish to make one or two brief observations. These foods that are enumerated here fall within the category, generally speaking, of prepared foods; but there are a number of prepared foods that are still subject to sales tax. One can certainly approve the proposal to remove the sales tax on these three, but one wonders at the same time why the government should stop there. In the case of prepared foods that are essential, why should not the removal be extended to them? We are now faced with the situation where the cost of living is the highest in the country's history.

The Deputy Chairman: Does the hon. member propose to make a proposal modifying this resolution? If he is not prepared to do so I would say he is not in order unless he speaks on ice cream, drinks prepared from fresh milk, and prepared whipping cream.

Mr. Fleming: I am speaking on the subject of prepared foods, of which these are three examples selected by the government. In his budget speech the Minister of Finance was able to put an estimate on the loss of revenue on these three items. At page 1216 of *Hansard*, referring to this particular proposal, he says:

> We have received strong representations from the dairy interests that the removal of this tax will give encouragement to the consumption of ice cream and dairy drinks at a time when sales of certain other milk products are declining. The loss of revenue in this item will be about $2 million in a full year.

I submitted an inquiry some weeks ago to the following effect:

> What amounts have been collected, by years, and in the aggregate, by way of sales tax from the outset of levy thereof on (a) ice cream; (b) other foods; (c) clothing; (d) household furniture?

The answer submitted by the Minister of National Revenue was, to say the least, cryptic. It said:

> Information not available. No separate statistics are maintained of sales tax collected on individual commodities.

Nevertheless it has been possible for the Minister of Finance, on giving some thought to this question, to put an estimate on the actual loss of revenue to be anticipated from the removal of the sales tax on these three particular commodities. It seems to me, since the Minister of Finance is in a position to do that, the Minister of National Revenue should be in a position at least to give some information in reply to the inquiries that I submitted; and I wonder if it is still not the intention of the department to submit the information in reply to the questions asked about the other foods.

I am not going to risk your disapproval by saying anything about the subject of clothing or household furniture. I am confining myself strictly to the subject of prepared foods, of which these are examples.

Mr. Sinclair: Mr. Chairman, the principal reason, of course, why these three prepared foods have now been made exempt, where there are still a variety of prepared foods such as pickles, catsup, sauces, olives, horseradish, mustard and so forth still not exempt, or mainly excluded, is that demands have been made by farmer members of this house for further aid to their industry. That was the advice given by the minister, and it is the advice that was given here a little earlier on the same thing.

The actual list of these prepared foods which are still not sales tax exempt is a fairly small one, and they are not of the types which are nominally regarded by the average family as being essential for their daily diet. These foods are commonly used, but what apparently is more important to the farmer members of this house is that it gives a little more encouragement to the dairy industry.

Mr. Fleming: Is the list of foods the parliamentary assistant has just read a complete list of the foods on which sales tax is still levied?

Mr. Sinclair: No. They are under the one heading here. I think if hon. members will study their own lists they will find therein not very many of the ordinary foods. I think there are none of the ordinary foods and not very many of the more special types here that are not exempt from sales tax, and certainly the inclusion of these three is a thing which will be welcomed not only by the farmers of the country but by the people generally.

Resolution agreed to.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will go into committee of ways and means, and continue the consideration of these resolutions. If they pass, we will go into supply and take up the estimates of the Department of Veterans Affairs.

Mr. Fleming: May I ask in which order the remaining resolutions will be taken up, income tax and then customs, or vice versa?

Mr. Sinclair: Income tax next, and then customs.

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

HOUSE OF COMMONS

Friday, April 28, 1950

The house met at three o'clock.

PRIVILEGE

STATEMENT OF AUDITOR GENERAL BEFORE SENATE COMMITTEE—REFERENCE TO REPORT IN MONTREAL "GAZETTE"

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, may I as a matter of privilege, but not referring to a report in *Hansard*, refer to the Montreal *Gazette* of this morning and ask that there be a correction made in the dispatch entitled:

Sellar urges radical changes in presentation of estimates.

Auditor General critical of officials by-passing spending authority; suggests free food sent overseas needed by workless of Canada.

In the course of the report it is stated that three important briefs were presented by Mr. Sellar to a house committee and then the report continues:

In one of the briefs, Mr. Sellar criticized the principle of gifts of food by the farm prices support and like bodies to organizations in Europe and Palestine which were caring for refugees, especially the undernourished children. Mr. Sellar said that it was surplus food supplies that were given to Europe but he thought that such surpluses should be distributed in Canada if and where real need existed.

I am sure that any member of parliament who read that would be surprised that a public official would be expressing opinions on policy before a parliamentary committee. I immediately got the briefs in question. Although I do not wish to be critical of the gentleman who attempted to summarize them, because they were quite long—as they had to be, because it was necessary for the Auditor General to make reference to the authorities upon which his objective statements were based—I would suggest to him that he read the briefs again. I am sure he will not be able to find, any more than I was able to find, anything that would give the slightest colour to that kind of paragraph.

Civil servants are often taxed with being bureaucrats, but they are in a position where they cannot speak for themselves here, and I suggest that the gentleman who wrote that dispatch when he reads this will in fairness to Mr. Sellar wish to correct the false impression to be derived from the paragraph I have just quoted. I am sure he will do that after he has had time to peruse carefully the briefs he was attempting to summarize.

Mr. Macdonnell (Greenwood): I think the Prime Minister is perfectly correct in his reference to what was disclosed in the briefs presented to the committee; nevertheless in the discussion which took place I think the points that appear in the newspaper article did come out, and I believe it only fair to the reporter to say that this did happen. I want also to make it clear that in my opinion there was nothing whatever in the attitude of the Auditor General which suggested that he was trying to lecture members of parliament or tell us our duty. Indeed his attitude was entirely the reverse, and he was very emphatic about that. In fairness to the pressman in question I think it should be said that what the Prime Minister read from the newspaper account in my opinion does cover the course of the conversation that took place in the committee.

Mr. St. Laurent: Well, Mr. Speaker, I was not present in the committee, and probably there will be an occasion to discuss what took place there when the committee reports. Until it does I would not attempt to infringe the standing order concerning matters being considered by committees. But the paragraph I read positively states that in one of the briefs Mr. Sellar made the observations which are reported. I refer to the briefs because they are not before the committee only; they are available to everyone, and there is nothing in the briefs which would justify a statement of that kind.

Mr. Fraser: It was in discussing the briefs that what was contained in the newspaper report came out.

Mr. St. Laurent: Well, I hope it did not come out in that form. I should hope no public servant would attempt to usurp the functions of those who are elected by the people.

Mr. Diefenbaker: Speaking as a member of that committee, may I say that Mr. Sellar is not in the position of a civil servant. He is responsible to the House of Commons and to parliament. He made it very clear today that in what he said there was no question of endeavouring to dictate. Indeed I cannot understand the attitude the Prime Minister has taken.

Some hon. Members: Order.

Mr. Diefenbaker: This man was called before a committee of the Senate and asked

for his suggestions, which he gave. After all he is not just a civil servant; he is responsible only to parliament.

Mr. St. Laurent: But whether responsible to parliament or to the government, it is not the function of officials to determine matters of policy. The hon. member expressed surprise at my attitude. He could not have listened to the terms used in this newspaper article, in which it is said that Mr. Sellar stated in one of the briefs that he thought such surpluses should be distributed in Canada if and where real need existed. I am sure the hon. member did not catch that statement.

Mr. Diefenbaker: It was the last statement made by the Prime Minister to which I was referring.

Mr. St. Laurent: I am sure the hon. member did not catch that part of the paragraph to which I was making special reference.

Mr. Pouliot: Lake Centre should not lean too much on bureaucracy.

EMPIRE DAY

MAY 23—CANADIAN CITIZENSHIP AND CANADA'S POSITION IN THE COMMONWEALTH

Right Hon. L. S. St. Laurent (Prime Minister): I should like to make a brief statement regarding the ceremonies which are being organized for May 23 of this year. As hon. members know, for a number of years May 23 has been observed in most provinces as Empire day.

Some hon. Members: May 24.

Mr. St. Laurent: No, May 23. May 24 is a legal holiday, but on the day before in the schools of many of the provinces there are ceremonies; and the occasion has been described as Empire day. Originally it was—

—a day devoted specially to the study of the history of Canada and to such special other exercises as might tend to increase the interest of the pupils in their own country and strengthen their attachment to the empire to which they belong—

—to quote from the original definition of the purpose of the ceremonies, in 1899. We have received representations from many organizations that some occasion should be provided for emphasizing the advantages and responsibilities of Canadian citizenship in respect of our status and worth in the commonwealth and to the world.

It seemed appropriate that this might be done in the schools in each province on May 23, in such a manner as might be decided upon by the provincial educational authorities, without in any way interfering with the exercises traditionally observed on that occasion, but rather as supplementing them.

We therefore consulted the provincial premiers and it has been arranged that on May 23 this year the occasion might be found in the schools to give attention to Canadian citizenship as the basis of our position in the commonwealth. It is not intended that it should be a public holiday, but that suitable exercises could be observed, both in schools and by public-spirited organizations, in order that we may become more deeply conscious of our own citizenship and all that it implies.

FLOOD CONDITIONS

SOUTHERN MANITOBA—SUGGESTED INVESTIGATION BY INTERNATIONAL JOINT COMMISSION

On the orders of the day:

Mr. Rene N. Jutras (Provencher): I wonder if the Secretary of State for External Affairs is in a position now to answer the question I brought to his attention yesterday, and which was referred to by the hon. member for Winnipeg North Centre (Mr. Knowles), as to any steps being taken to prevent the recurrence of floods in southern Manitoba.

Hon. L. B. Pearson (Secretary of State for External Affairs): I am in a position now to make a short statement on the question that has been raised by the hon. member for Provencher, and which was raised yesterday by the hon. member for Winnipeg North Centre.

As hon. members will recall, in a statement to the house on May 3, 1948, the then secretary of state for external affairs replied to a somewhat similar question asked by the hon. member. At that time the minister stated:

Our information is that the present flood . . . did come principally from international waterways which flow from the state of North Dakota into the province of Manitoba. While to some extent it is a recurrent flood, it had caused no disaster of this magnitude since 1916.

That was in 1948.

The reference to the international joint commission, dated January 12, 1948, covering waters from the eastern boundary of the Milk river drainage basin up to and including the drainage basin of the Red river, does allow the commission—

That is, the international joint commission.

—to make recommendations with a view to preventing the recurrence of such floods.

The fact that the waters of the Red river have an international aspect, in that they rise in the United States, means that a satisfactory solution of the problem of flood control can be obtained only by the co-operation of the governments of both countries. It was for this reason that both governments agreed

to make a joint reference of the matter to the international joint commission. Under the reference the commission, among other things, is required—

> To conduct necessary investigations and to prepare a comprehensive plan or plans of mutual advantage to the two countries for the conservation, control and utilization of the waters under reference in accordance with the recommended apportionment thereof.

Control of flood conditions, combined with improved low water flows on the Red river in Canada, is one of the principal objectives this government hopes to achieve as a result of the reference and its investigations. These engineering investigations are being conducted for the commission by a board of engineers from the federal services of the two countries, working in co-operation with provincial and state engineers.

The unfortunate and unhappy conditions which exist today at and in the vicinity of Emerson, Manitoba, result from the high flows crossing the international boundary from the Red river basin into the states of Minnesota and North Dakota, and to some extent from the Manitoba portion of the tributary Pembina river. Control of these waters through construction of storage reservoirs in the United States has been the subject of study in that country, but it has been stated with authority that complete control by that method is not feasible. Additional United States studies are being conducted on which to base a comprehensive plan and recommendations.

The United States government has made, and is making, large contributions to flood control in the Red river basin in that country. Storage dams have been built, channel enlargement has been made and confining dikes have been built. The dams tend to hold waters back from Manitoba, while the other two methods tend to send it downstream faster. Studies indicate, however, that the net effect of these measures on flood peaks in Manitoba is negligible.

Approximately ten miles downstream from Emerson, the Roseau river enters the Red with waters gathered in Manitoba and Minnesota, while at the city of Winnipeg the Assiniboine river joins the Red, bringing with it the waters of the Souris river, which are also under investigation by the commission looking to complete utilization and control.

The various studies necessary to the comprehensive planning of all the phases of these investigations are involved and difficult. The engineers have, however, already gathered a great deal of data on which to base conclusions. These data are being analysed, and it is hoped that on completion of the studies the two nations will have plans which will include measures for the alleviation of flooding such as is being experienced at present.

Mr. Ross (Souris): May I ask the minister whether that report is up to date?

Mr. Pearson: This report, Mr. Speaker, is up to date. The report of the engineers has not yet been submitted to the international joint commission, but that will be done shortly.

REQUEST FOR FEDERAL FINANCIAL AID

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I ask a further question about the flood situation in the Red river valley?—but perhaps this question will have to be addressed to the Prime Minister. Has the government received representations from the mayor of the town of Morris, Manitoba, or any other official in that area, requesting federal financial assistance in the relief of distress and destruction caused by these floods? If so, will consideration be given to any such requests?

Right Hon. L. S. St. Laurent (Prime Minister): I heard from press sources, before I received it, that a telegram had been dispatched to me. I have received it now, and it reads as follows:

> I would like to ask your government to give aid to the flooded area of the Red river valley as this is a national emergency. This area flooded bad in 1948 and 1950; many people have suffered great financial loss. Would suggest that a royal commission be set up to investigate flood control, also income tax exemptions of the repairing of homes this year.

I received that telegram a few minutes ago, and all I can say is that the matter will be looked into, but not at this moment by a royal commission. We shall endeavour to ascertain what the situation is, and then determine what action, if any, should be taken. Hon. members can be assured that it is the desire of the government to treat every part of the country in the same way. Should there ever be in any part of the country the sort of disaster there was in the Fraser river district, the people of that section would be entitled to expect that they would be treated in the same way as the residents of the Fraser river valley were treated.

Mr. Knowles: I think it is obvious, but just to complete the record will the Prime Minister give the name of the person who signed that telegram?

Mr. St. Laurent: Yes, it is signed by Mr. Harry Shewman, M.L.A., mayor of Morris.

Inquiries of the Ministry

Mr. Cruickshank: I presume I am in order, in view of what the Prime Minister has said, but I want to speak on behalf of the people of Fraser valley. The people and government of Canada were very fair to us.

Some hon. Members: Order.

Mr. Cruickshank: I hope the government does the right thing for the people of Manitoba who are being flooded out.

Mr. Knowles: Thank you.

QUESTION AS TO EXTENSION OF TIME FOR FILING INCOME TAX RETURNS

On the orders of the day:

Mr. Rene N. Jutras (Provencher): I should like to ask the Acting Minister of National Revenue to take this question as notice, and give me an answer at the next sitting of the house. I have received many communications from the people in the flooded area showing great concern over their inability to file their income tax forms within the allotted time. Will the minister make a statement at the next sitting of the house as to what consideration will be given to this matter?

Hon. Robert H. Winters (Acting Minister of National Revenue): I shall take that question as notice.

DEAN OF CANTERBURY

QUESTION AS TO PROPOSED VISIT TO CANADA

On the orders of the day:

Mr. F. E. Lennard (Wentworth): I should like to direct a question to the Secretary of State for External Affairs, arising out of a Canadian Press dispatch which appeared in last night's Ottawa *Journal*, to the effect that Dr. Hewlett Johnson, the "Red" Dean of Canterbury, will visit Canada next month. Will the minister say whether he has been or will be granted a visa to enter the country at that time?

Hon. L. B. Pearson (Secretary of State for External Affairs): I assume that the gentleman referred to, the Dean of Canterbury, is a British subject and in possession of a British passport. A visa therefore would not be required for his entry into this country. I have no knowledge whether such entry is contemplated by the gentleman, but if he were contemplating a visit to Canada at this time I would imagine it would be no contribution to international peace, nor would it be welcomed by any great number of Canadian citizens except possibly the communists and their friends.

[Mr. St. Laurent.]

FISHERIES

RESTRICTED AREA FOR BOMBING RANGE OFF NORTH COAST OF P. E. I.

On the orders of the day:

Mr. W. Chester S. McLure (Queens): I should like to ask the Minister of Fisheries if he is prepared today to give any information on the question I asked him on April 26.

Hon. R. W. Mayhew (Minister of Fisheries): I have nothing to add to what was said then by the parliamentary assistant. I did not know it required anything further, but I shall look into the matter to see if anything can be done.

WAYS AND MEANS

Hon. Douglas Abbott (Minister of Finance) moved that the house go into committee of ways and means.

PROPOSED INQUIRY INTO ORGANIZATION OF DEPARTMENTS AND OTHER GOVERNMENT AGENCIES

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, as I have indicated on more than one occasion, it has been my intention to avail myself of the appropriate opportunity to present a motion which will seek to express the opinion of this house in regard to a thorough inquiry into the organization of government, and the ways and means by which the efficiency of government could be increased, the duplication of services avoided, and a reduction in the over-all cost of government effected.

I believe it is particularly appropriate that such a resolution should be moved while we are still considering the financial affairs of the government as presented to this house. It is for that reason I take advantage of the motion to go into committee of ways and means to discuss this subject. At the conclusion of my remarks I shall present a motion which will set out the purpose which I believe could well be carried into effect, to the advantage of the government, of parliament, and of the people of Canada.

First, I should like to read into the record a letter I wrote to the Prime Minister (Mr. St. Laurent) on April 1:

Dear Mr. Prime Minister:

I wish to place before you a proposal which I believe should be given early consideration. It is prompted by the statements made recently to the members of the Senate by the Auditor General, Mr. Watson Sellar, and the information contained in the report presented to the House of Commons a few days ago upon the organization of the national film board.

The report of the film board and the Mainguy report last year both disclosed a very serious lack of organization. It happens that these are the only

two reports since the war in regard to the organization of any department or agency of government. It is, therefore, significant that in these two cases there was evidence of a serious lack of organization which could only lead to unnecessary expense and costly duplication which interfered with the efficiency of the service rendered.

The statements of Mr. Watson Sellar emphasized the difficulty with which members of parliament are confronted because of the unsatisfactory way in which public accounts are presented and the difficulty of dealing with them effectively under present arrangements. For these and other reasons I think that a royal commission should be appointed immediately to inquire into the organization of the departments of government as well as the various public agencies under the control of the government. This commission should have the widest powers to inquire into all details of organization and also the relationship between the various departments and government agencies.

In view of the statement of the Minister of Finance last Tuesday that we must expect public expenditures to continue at the present high level, I think that it is essential that every possible step be taken to increase the efficiency of administration and avoid duplication of costs as a result of overlapping or inefficient services, such as those which were disclosed in the Mainguy and film board reports.

Yours sincerely,

George A. Drew

The Prime Minister had left Ottawa at the time this letter was delivered; and on Monday, April 3, I received a letter from the Minister of Trade and Commerce (Mr. Howe) informing me that the Prime Minister was away and that this letter would be given consideration upon the return of the Prime Minister after the Easter holidays. That is now four weeks ago; therefore I think it is appropriate that this subject should be brought forward at this time.

In a radio broadcast by the Minister of Finance (Mr. Abbott) on April 11 there was a reference to the general manner of dealing with public accounts. In that broadcast he used these words:

It may be that the procedure for considering the estimates and for organizing government departments and agencies could be improved, as Mr. Drew suggests. The government is always willing to consider seriously proposals along these lines, and it usually takes the initiative in making changes when they are needed.

We have under consideration the budget, and we have passed from the general consideration of the budget to ways and means. If the government had come to any decision to take the initiative in improving the method of dealing with public accounts, it would seem that the matter would have been dealt with by this time. Although that may not have already been done, it may be that the government will approve the motion I shall subsequently make; I hope it will.

When we come to the reasons for a commission of this kind, first of all I am suggesting that the commission should follow a course similar to that followed by the Hoover commission in the United States. When Mr. Herbert Hoover was appointed as chairman of what was officially described as "the commission on organization of the executive branch of the government", he was directed to conduct an inquiry and to make recommendations along lines somewhat similar to those which I shall propose. That commission was made up of twelve men, but its activities were not in any way limited to those of the twelve men appointed to the commission. As soon as the commission had been set up, Mr. Hoover at once enlisted the services of some three hundred of the best business and constitutional experts in the United States. He sought the assistance of people with training which would qualify them to deal effectively with the various fields of government activity. He organized these experts into twenty-four separate "task forces", as he called them. Those task forces were directed to investigate and to analyse each of the distinct administrative responsibilities of the government and of the various agencies of the government. Not only did those task forces of experts inquire into the various fields of administrative responsibility; with the assistance of the most competent accountants they also made recommendations as to ways in which the accounting, and the presentation of the various estimates of the departments of government, could be improved.

I have outlined the general procedure followed by the Hoover commission, because that commission made comprehensive recommendations, the putting into effect of which it has been estimated could effect a saving up to $5 billion a year in the cost of government in the United States, without reducing a single government service now being given. That commission, which was set up in July, 1947, presented eighteen different reports between January and April of 1949. Already many of these recommendations have been put into effect, at an estimated saving of some billion and a half dollars. But there is still under consideration the further implementation of the remaining recommendations made in those important documents.

The government budget is the statement of the financial affairs of the government and of the country, having regard to activities which are under the administration of the federal authority. I think it can be stated that a government budget should clearly answer one simple question: What is the

money wanted for? A government accounting system should answer one definite and simple question: What are the taxpayers getting for their money?

The present budget and accounting systems have only very partial answers to these questions. In some cases they give the surface indications of what the answer is; in some cases there is practically no answer at all. For that reason it is not surprising that Mr. Watson Sellar, the Auditor General, appointed to audit the public accounts, should have been recommending now for several years an improvement in the accounting methods, an improvement in the system of presenting estimates to parliament, and a system by which parliament, as the body representative of the people, shall once again be able to assume effective control over the expenditure of public money. That is, in its essence, the recommendation of the Auditor General, who is not a civil servant in the ordinary sense of the word but, as has already been pointed out this afternoon, is the one man answerable to parliament, answerable to the House of Commons, who does not come under the ordinary civil service requirements.

I think it can be fairly stated that no individual in the public service of Canada holds a higher reputation for integrity, for knowledge of his responsibilities, and for the impartiality with which he has discharged those responsibilities than does Mr. Watson Sellar, the Auditor General. For that reason it is high time the House of Commons should take notice of his repeated recommendations, and take the one effective course to implement these recommendations in a way which will bring to our assistance highly expert individuals who are neither members of parliament nor members of the civil service of Canada.

There are certain subjects which by their very nature can best be dealt with by committees of the House of Commons, or by joint committees of the House of Commons and the Senate; but I submit, Mr. Speaker, that this is one of those tasks for which the organization and appointment of a royal commission is particularly suited. Such a commission could bring to its service men and women from every part of Canada with the highest qualifications in each field of endeavour related in any way to the many activities of government or its agencies.

Whether those who would be called to the service of the state and of the people of Canada in this way would follow precisely the same course as was followed by the commission in the United States would of course be a matter for decision by the royal commission operating within the terms of reference of the order in council appointing it. But I should hope that such a commission would bring to its assistance, in turn, just as the Hoover commission did, the services of persons who could deal effectively with every aspect of the extremely complex problems of government.

One of the great problems facing every democracy today is to make democratic government the most efficient kind of government in the world, and also to provide effective measures of supervision over the widely increased activities of government which have resulted from the extended activities of all democratic governments during the last war.

Big government may not necessarily be bad government; but the type of big government which has emerged from this last war in most democracies can be bad government and can be dangerous government, unless it is brought under effective and efficient supervision, and devices for making it responsive and responsible to parliament are devised which are in keeping with its vastly extended services.

The method of supervising estimates and accounts suitable for the simple form of government which existed in the days before the last war, and in still simpler form before the first world war, is not adequate to provide that measure of supervision over the accounts and the spending of government which is in keeping with the basic principle of responsible government to which we adhere. The theory of responsible government which is the very bedrock of our parliamentary democracy is not that government be responsible for everything, but that government be responsible to parliament in the one essential requirement; parliament should be in a position to exercise effective control, with real knowledge of every detail of what the government is doing.

Do not let us be carried away by any suggestion that we alone, of all governmental bodies, can exercise completely flawless administrative responsibility here in Canada. The fact is that there have been only two small windows opened up through which the members of this house and the people of Canada can see something of the actual work of government departments or their agencies. Since the end of the war no single department has been fully under examination by any body of experts authorized to inquire into all its affairs. The only two inquiries which have been conducted were the investigation by the Mainguy commission into certain limited aspects of our naval administration,

and the inquiry which was conducted into the administration of the national film board by a highly qualified group of business experts. In both those cases the reports indicated conditions which should make every member of parliament think about the necessity for a broader examination. I feel sure there is no naval officer in Canada more deeply steeped in the traditions of the Canadian navy or more affectionately inclined toward all who serve in that particular branch of the service than Admiral Mainguy. Nevertheless we find in that unanimous report presented by Admiral Mainguy and his associates such words as these:

> Officers were also assigned to work without special qualification and several important departments were treated as though they were temporarily refuges for temporary misfits, rather than as fields of endeavour for the best available experts.

Admiral Mainguy would have no desire to be critical of any branch of the naval service. But, as a highly competent and highly qualified officer he saw these conditions, upon which he reported; and there were other conditions—many of them—which indicated a type of inefficiency, a lack of supervision, which pointed to the necessity for recurring supervision of activities of this kind, rather than a reflection in any way upon the general qualifications or spirit of the Royal Canadian Navy.

Those who have read the report of business experts who inquired into the activities of the national film board will have been struck by the fact that, no matter what kindly expressions might be directed to those associated with that board, there was a picture of disorganization which could hardly be exceeded in any case one can imagine. There was the description of various parts of the board carrying on their activities without supervision and without relation to the activities of others parts of the board. We find in the report tabled in the house such statements as these:

> Budgets have been unrealistic, with the result that actual production costs have borne little relation to the budgeted cost.

And again:

> Purchase arrangements have been made and, in a few cases, invoices have actually been received before the purchase requisitions have been submitted to the purchasing agent.

And another quotation:

> Budgets have been prepared to cover part of the work only.

These and other statements indicate a situation which, I submit, should suggest to every member of the house the desirability of the kind of businesslike examination of the organization and interrelationship of departments and government agencies which is carried out from time to time by any important business which expects to maintain some measure of business efficiency.

One of the things which has emerged, even in these very limited views which have been obtained with respect to a very small part of the immensely complex organization of government, and one of the things in fact which has been positively stated by men associated with agencies of government, is that the ordinary cost accounting methods do not apply. Just a few days ago a senior official of one of the agencies of government argued that you cannot apply ordinary cost accounting principles to a public service. Mr. Speaker, I think that cost accounting, which is the modern safety valve of big business, can be applied to government, and that there should be the same type of supervision of even such simple things as telephone communications, telegraphs, correspondence costs and things of that kind, as may be found in ordinary business.

Immense sums of money go into those items. We had, for instance, one new type of governmental activity which developed during the war. That was the creation of publicity and information services for departments of government for the purpose of maintaining public morale, in certain cases, and also, quite frankly, for purposes of propaganda directed to the general purposes of the war—and sometimes perhaps outside the exclusive purposes of the war. That was a development which came very largely with the last war. The fact that these activities continue was demonstrated clearly in a return given in sessional paper 102B and 102C of April 17 last, in which it was disclosed that departments of the federal government which had information and publicity divisions were employing a total of 366 employees to carry on publicity and information at a cost to the people of Canada of $1,275,508.43.

I notice the Minister of Agriculture (Mr. Gardiner) has seen fit—as was very proper, if he thought it should be done—to write a letter to the press expressing his own opinion as to why it was necessary for his department to have sixty-four such employees.

Mr. Gardiner: Which had nothing to do with the war. The set-up has always been there.

Mr. Drew: I was going to explain that in the case of the Department of Agriculture there are certain activities, carried on for the general benefit of people in Canada who are interested in agriculture, which it is very important should be maintained. While I am not in a position to say that all these people

are employed for that purpose—and frankly I doubt that all of them are—nevertheless I do agree that in that particular department it is essential that the number of persons necessary to the giving of advice on strictly agricultural lines should be maintained. Having said that, however, I do suggest that an activity such as this in itself illustrates the importance of the kind of supervision and inquiry I am suggesting.

Mr. Gardiner: May I make a suggestion? The letter which I wrote to the *Journal* was in reply to an editorial which had appeared; it was not with reference to the return made in the house. It simply pointed out that the definition of information and publicity used in the editorial did not conform with the term as used in the department.

Mr. Drew: As the Minister of Agriculture knows, the editorial to which his letter referred was related to these sessional papers—

Mr. Gardiner: But altogether wrongly.

Mr. Drew: —about which I am speaking.

Mr. Gardiner: It related in an altogether wrong manner to the return. The information indicates that there are nine persons in the department to whom you could apply the interpretation used in the editorial, and not sixty-four.

Mr. Drew: I was indicating that in the case of the Department of Agriculture there is a necessity for the production of documents of this kind, but I was going on to say that the production of documents of this kind is the sort of thing that requires supervision from time to time. The government as the administrative committee of parliament, and parliament itself, should have the advantage of outside advice to determine whether the most efficient and modern methods are being employed in carrying out that task.

Having made these observations in regard to the people employed by the Department of Agriculture—I qualify my remarks by saying that I am not satisfied that the whole sixty-four are employed for that purpose—I want to say that the remarks I made do not apply to most other departments. For instance, I find it extremely difficult to understand why the Department of External Affairs needs fifty-one publicity and information personnel. There are no services carried on by the Department of External Affairs similar to those carried on by the Department of Agriculture. I am satisfied that an examination of that department will show that a large part of the work of those fifty-one men is devoted to straight propaganda on behalf of the minister and the department and not to the production of information necessary for the people of Canada.

Then again I find that in the case of the Department of National Health and Welfare there are twenty-eight employees devoted to this work. The Department of National Health and Welfare does not need twenty-eight people for this purpose. I am convinced that a very large percentage of those people are devoting their time to the production of propaganda on behalf of the minister and the department rather than to rendering the kind of services which would justify employment of this kind.

Mr. Martin: Is my hon. friend aware that when he was premier of Ontario that province complained about the inadequate service given in terms of health information by the department which I administered?

Mr. Drew: Yes, I am, and I do not think any criticism was better directed than that which was directed to your department because of its failure to give the kind of services that should have been given. Nevertheless I would point out that the people who could prepare the material desired are regular civil servants of that department doing regular jobs in the department, and not publicity and information people to the number of twenty-eight. I might point out that fifteen of those are not permanent civil servants; they are temporary civil servants, just as in the case of the Department of External Affairs, where thirty-seven out of fifty-one employees employed for that purpose are temporaries.

Mr. Abbott: That is in accordance with the staff quotas.

Mr. Drew: They are not given that status which would be in keeping with the kind of service which should be rendered by those who are actually needed for purposes of this kind.

Then again we find that in the case of the Post Office Department there are twenty-eight publicity and information personnel employed. Will anyone suggest that you could not carry on the ordinary services required without these special publicity and information employees? There are regular civil servants who could do that job. Regular civil servants used to do that job. In most cases regular civil servants should still be doing that job and doing it within the ordinary requirements and supervision of the civil service.

Mr. Abbott: They are all regular civil servants.

Mr. Martin: There is not one who is not a civil servant.

Mr. Drew: I am talking about civil servants assigned to particular tasks within the departments other than those having to do with publicity and propaganda for the minister or the department.

Take the whole lot of 366 and you find that 231 of them are temporary employees. The figure of $1,275,000 which has been given is not the total cost of these services; it represents only the salaries received by those 366 employees. Each of those offices is like a tap. Once it is turned on the money pours out for all sorts of other activities. The real cost of these services runs into the millions.

One of the things I want an inquiry of this kind to ascertain is how much these services really cost for the very extensive paper war that is being carried on, and not only by the Department of National Defence. Floods of publicity circulars of all kinds are distributed by these 366 employees. They go out in the form of press releases, printed pamphlets, and of course pictures showing the minister of the department doing something which will give an appropriate impression of love and sympathy on the part of that minister for the particular task he is undertaking.

That is one place where these 366 publicists for the departments of government do make use of the national film board. I should like an impartial businesslike committee to inquire into just how many of the photographs that have been taken of ministers and distributed in the thousands by the national film board have been for the purpose of providing the public with service by the department or for the purpose of providing political service for the minister whose face has been so appropriately portrayed in that way.

Mr. Knowles: Do they screen them before they take them?

Mr. Drew: I think that is one part of the activities of the national film board which they thought was sufficiently safe to go on with while the screening was taking place. There is not a single member of this house who does not know perfectly well the enormous amount of material that goes out through these 366 men and women. Some of that is for the public service; and at the very outset of my remarks on this subject I conceded that in the case of the Department of Agriculture there is undoubtedly a very real importance in the kind of material that is going out. But when I recall the interruption of the Minister of National Health and Welfare (Mr. Martin), I would remind him and the house that civil hospitalization is entirely the responsibility of the provincial governments, and that one of the things I believe a body of this kind should do is to examine how duplication in matters of that kind can be avoided, so that the supervision and administration of such an extremely important matter as health and public welfare may be carried on with the full advantage of complete co-operation between the various governments but without the need for duplicating services in that regard and particularly without the need for that vast pile of paper that goes out to glorify the minister.

Mr. Martin: I wonder if the hon. gentleman will permit this question. He is making a very important and very constructive speech, but would he tell me in what particular there is duplication as between the Department of National Health and Welfare and any of the ten provincial health departments? Will he name one publication now being put out under the auspices of the department which I administer that has not been requested by the provincial governments and that is not in the national interest?

Mr. Drew: Certainly. Literally tons of paper go out from that department throughout the year conveying the impression that the people of Canada discovered their bodies only when the present minister took office. They also try to tell the people of Canada that we would have no hospitalization plan at the present time if it were not for the beneficence of the minister.

Mr. Martin: You do not answer my question.

Mr. Drew: I am answering the question. The minister knows perfectly well the kind of propaganda that is going out all the time. Additional propaganda of that kind goes out to create the impression that the only reason there is any hope of adequate hospital facilities is that a plan has been devised by the dominion government. By all means let this government support the provinces in their responsibility for hospitalization, but let us cease this attempt to create the impression that each of these things is being done by this national department. Certainly there are things to be done by that department. There is the administration of the pure food laws. There is co-operation with the provincial departments in matters of wider concern. There is the question of hospitalization relating to special subjects such as Indians and Eskimos. Doubtless more can be said about that another time.

One of the things I would like to have examined in that department, as in other departments, and something I believe members of parliament generally would like examined, is whether there is not the possibility of a great simplification of these services; whether, in those cases in which the dominion government is giving support to the provincial governments, the whole thing could not

be placed under the administration of one government or the other, instead of having those services multiplied right across Canada. The same would apply to such departments as those dealing with lands and forests, mines and activities of that kind.

One reason I am so convinced that a great deal can be accomplished by examining the relationship of those departments is the extent to which co-operation of that kind has saved money in a great number of cases, to my own knowledge. Just to give one example, hundreds of thousands and perhaps millions of dollars were saved to the people of this country through the wholehearted co-operation extended to the provincial governments by the Minister of Labour (Mr. Mitchell) in the education of the veterans who took technical training of various kinds after the war. In that instance the Minister of Labour discussed with the provincial departments of education ways in which effective training could be given demobilized veterans. Then, following the approval of broad plans for training and education of that kind, every cent of the money was paid over to those departments and to the staff set up for that purpose. I do not think there has been a more efficient operation in the past few years in this country than the training given in that way. Again, I recall that there was a great saving to the people of Canada through effective plans for co-operation in certain aspects of the supervision of our forest wealth.

These were not things that had been going on for years; they were new arrangements that had to be made. Through co-operation and examination of the whole problem on a businesslike basis plans were made under which in certain cases provincial departments of lands and forests mapped the great forest wealth of this country and made those photographs available to the dominion government. On the other hand the Royal Canadian Air Force carried out certain other mapping service under the federal government, and those photographs were made available to the provincial departments. I also recall a number of cases in which savings have been made through very effective co-operation between the dominion Department of Agriculture and the provincial departments. These things can be done and for that reason I think there should be not only an examination of the departments I have mentioned in order to bring about a still higher measure of co-operation and efficiency, but also an examination of all departments and the relationship between them.

Now let us take one example of the way parliament is called upon to deal with estimates. Speaking about his own department the Minister of National Defence (Mr. Claxton) had this to say on April 25:

> Because this is a big operation, I have felt that the Canadian people should have all possible information about what we were doing, and accordingly both in and out of parliament more information has been given on defence than ever before and I believe more than is being given in most other countries.

The very day that this statement was being made over the radio by the Canadian Minister of National Defence, the secretary of defence in Washington was giving the most detailed information to congress about every aspect of their defence, except the ultra-secret information connected with such weapons as the atomic bomb, the hydrogen bomb, and guided missiles. All the rest of the information was made available for anyone to read. As has been said so often, we recognize now that the core of the defence of freedom rests with the United States. If the nation which is primarily responsible for the defence of freedom can give information to its elected members and the people of the United States, then the Minister of National Defence in Canada can certainly give equally full information to parliament and to the people of Canada.

A body of this kind could make inquiries, and could ascertain which part of the accounts, if any, in this country should be placed under any measures of secrecy. Another important thing that should be inquired into in regard to national defence is how this parliament can carry out effective supervision of the purchases for the Department of National Defence which are made by an agency of government not answerable in the ordinary way to the House of Commons. These are things that can be examined, considered and reported upon by businessmen, accountants and experts in that field.

I have put forward these arguments, Mr. Speaker, in the sincere and earnest hope that it may be the intention of the government to support this proposal. After all it is too much to think that we alone, of all the free peoples, should have avoided entirely these measures of duplication and inefficiency, which are ordinarily the inevitable result of a rapid expansion far beyond the size of the organization which was originally planned within the rules that have been set. We have been told on reliable authority that if the recommendations of the Hoover commission were fully implemented there would be an annual saving to the taxpayers of the United States of $5 billion. Proportionately

that would mean a saving in the neighbourhood of $500 million a year in this country. It may well be that the Minister of Finance (Mr. Abbott) has some justification for a feeling of confidence that, relatively, we have found more efficient methods than others. I certainly am not conceding that, but it may be so. Even if it is so, it is difficult to believe that we would not find that at least one-fifth, two-fifths, or three-fifths of the same measure of weakness had crept into the organization of services as had crept into the services in the United States in precisely the same general field of activity.

In saying this I wish to point out also, that, as I believe, the civil service would actually welcome an examination into their general affairs, so that they would be assured of working under the greatest efficiency possible. By the very efficiency of that organization, they would be assured of reaching the highest positions based upon their qualifications. After all, there is nothing that contributes so greatly to the efficiency of the civil service as confidence within the civil service itself that the organization is one in which promotion and advancement relates only to efficiency and constant good service to the public whom it serves. I repeat that the people of Canada have reason to be proud of the high standard of the civil service of this country, but the civil servants themselves have indicated quite clearly that they wish to carry on their business under more efficient methods in certain details of their activities than they do today. I think such an examination as this would provide them with an opportunity of making recommendations for greater efficiency within that great permanent branch of the public service.

I have sought, Mr. Speaker, to put forward arguments which I believe support the request for a motion of this kind. I did not bring forward the motion until there had been adequate opportunity for the government to give consideration to these proposals. It is four weeks tomorrow since I made my request by letter. I would point out that if in these comments I have made any remarks of a nature reflecting on one department or another, I have done so only in answer to interjections which were made, and because I do know of certain cases through my own experience where very real savings could be made. Even if we did not have a single concrete example before us, and we have many, I still suggest that merely basing our approach upon the experience of ordinary business we could all agree that the time has come for an examination of this greatly expanded business of the people. We could then be sure at least, if of nothing else, that nothing can be done which is not being done to give to the people of Canada the most efficient government possible.

I emphasize once again that the greatest strength of the democracies in the days, the months and the years ahead will be the strength of the economy of government. It is part of the contribution to the struggle against the forces of evil that we keep the cost of government, and through that the taxation of the people, down to the very lowest point consistent with the services that the people want, and consistent with the maintenance of the efficient supervision of our public affairs. The people will form their impression of democratic government by their conviction that democratic government is either efficient or inefficient. What I have suggested would be the surest way of giving convincing evidence to the people of Canada that we have done all within our power to make democratic government in this country as efficient and as economical as is humanly possible.

I therefore move, Mr. Speaker, seconded by the hon. member for Lake Centre (Mr. Diefenbaker):

That all the words after "that" to the end of the question be deleted and the following substituted therefor:

"Consideration should be given to the matter of appointing a royal commission for the purpose of examining and making recommendations for:

1. Reducing public expenditure to the lowest point consistent with efficiency.
2. Eliminating duplication of overlapping services.
3. Consolidating all public services and departmental activities of a similar nature.
4. Improving the general efficiency of government and assuring to all members of the civil service full recognition of their responsibilities.

And without limiting the generality of the foregoing to make such further recommendations as may contribute to the general efficiency of the organization of government."

Right Hon. L. S. St. Laurent (Prime Minister): I do not rise at this time, Mr. Speaker, to deal with the merits of the amendment moved by the leader of the opposition (Mr. Drew) or with the interesting speech he has just made to the house. That will be done by my colleague the Minister of Finance (Mr. Abbott) just as soon as I sit down within the next three or four minutes. I feel, however, that I owe a word of explanation to the leader of the opposition and to the house for there not having been a full answer in writing to the letter he addressed to me on April 1. There was an acknowledgment and a promise that the matter would receive consideration; and I can assure the hon. member that, just as soon as I returned from

the enjoyable and restful holiday I had in Bermuda, it received careful consideration by the members of the government.

But we realized at once—and I am sure the leader of the opposition will agree—that this was a matter which concerns the prerogatives and procedures of parliament. We therefore felt that it was something which should be dealt with on the floor of this house, and not debated in correspondence. I am sure that the reason the leader of the opposition wrote his letter to me was that parliament was rising at that time and that there would have been no opportunity for making orally, in the house, the recommendations and suggestions that were contained in his letter. That is the only reason why there was not sent to the hon. gentleman an answer in writing to the suggestions contained in his letter. But those suggestions were given careful consideration. I will not say that the Minister of Finance was briefed by his colleagues, but he discussed with them the kind of answer it would be appropriate to make to the proposal; and it was felt that it should be done at the earliest possible opportunity. When the hon. gentleman who has just taken his seat referred to this matter in his speech at the end of the afternoon on Wednesday, we considered whether or not it might be dealt with yesterday in the debate on the motion which was then before the house. But as appears at page 1920 of *Hansard* of Wednesday of this week, we noted that the hon. gentleman said:

> I have already indicated that I intend to bring this subject up on another occasion.

We therefore felt that he had thereby implied that he had not said all he wished to say, and that it would be preferable for us to wait until the other occasion had arisen so that the matter might be dealt with more fully and more completely.

I thought it was only proper that that explanation be given here because I can assure the hon. gentleman that I shall always be greatly helped by any suggestions that can be made; and I should not like anyone to feel that we were lacking in courtesy in the manner of dealing with them. I think there will be opportunity now for a full discussion of what should be done in that respect, and it will be even easier after the hon. gentleman's speech than it would have been merely on his letter, because he has been able to amplify and to develop the ideas which were summarily expressed in the letter. He has now made it quite clear that the royal commission which he recommended was somewhat similar in character to the Hoover commission which operated in the United States. I felt that this idea was implied in his letter, but it was not explicitly stated; and I think it is better for us to know exactly what is in the mind of each of us in this matter, because it is something which is of consequence not only to this day but to the future.

I shall not take up more time at this moment but shall leave it to my colleague, the Minister of Finance, to deal with the proposal itself.

Hon. Douglas Abbott (Minister of Finance): As the Prime Minister (Mr. St. Laurent) has indicated, Mr. Speaker, I had had some thought that, in closing the budget debate, it might be appropriate for me to say something about the suggestions put forward by the leader of the opposition in the letter to which he has referred concerning the appointment of this royal commission to look into the methods of government expenditure and the way in which those expenditures are scrutinized and examined. But the circumstances yesterday evening seemed to be conducive to a speedy disposition of the budget resolutions, and since the hon. gentleman had indicated that he intended to deal with the matter at a later date, I deferred making those remarks.

In a radio broadcast which I made after the receipt of the letter to which he referred and which was touched on by one of the speakers in the budget debate, I indicated that—and I am sure hon. members will agree it is the case—historically, at any rate, it was the primary function of parliament and if I may say so, of the opposition in particular, to perform the duty which my hon. friend is suggesting should be discharged by this so-called Canadian Hoover commission. As someone put it, I challenged the opposition to perform their historical function and to indicate some of the ways expenditures might be reduced and any of the ways efficiency might be improved.

May I say that one or two hon. members of the opposition have already accepted that challenge. The hon. member for Kamloops (Mr. Fulton), in the able speech he made the other day, indicated certain specific fields in which he felt expenditures could be reduced. I am not going to discuss at this time the merits of the particular suggestions which he made. But in that speech he did demonstrate that he had spent a great deal of time in analysing the estimates as presented, in co-ordinating figures which appear in them and in putting forward specific suggestions.

May I say by way of digression that I have never been too much impressed by the charges that it is not possible to get adequate information in order to intelligently

discuss the estimates. I do not want to single out individuals but there are a number of members in this house—perhaps the hon. member for Lake Centre (Mr. Diefenbaker) is a notable example—who know how to ask questions in order to get information they want. If in reply to any question the hon. member for Lake Centre does not get an answer that satisfies him he is never backward in asking for supplementary information. That is the proper course to follow. That is the proper function of an opposition.

In his letter my hon. friend has suggested that there exists in the government service waste, extravagance, duplication of services and the like. I categorically challenge that statement; I categorically deny it. In my judgment there is no duplication, waste and extravagance.

As I said in my budget speech, and as I have said in radio broadcasts since, I would be the last to suggest that there is no room for increased efficiency and improvement in the government service, and efforts are being made at all times—with some considerable measure of success, may I say—to increase the efficiency and to eliminate such wasteful practices as may exist, and these efforts will be continued.

Incidentally I was interested in the tribute which the hon. member for Kamloops (Mr. Fulton) paid the other day to the work of the treasury board. And I speak with some knowledge of that because I spend a good deal of my time sitting on that board going into the tiresome, wearisome details of individual departmental expenditures.

The primary reason why the government feels that we would not be justified in accepting the suggestion that we should set up this outside board of accountants, business experts, or what have you, to decide what is, after all, the primary function of parliament, and in particular the function of the opposition, is that it has not yet been demonstrated, in our opinion, that parliament is unable to fulfil that function. We have a good many existing vehicles at hand. Let me note in passing that even in committee of supply on the estimates, in my observation, it has not been the practice of the opposition to ask the minister of the particular department concerned to give details of, let us say, the number of persons who are engaged in so-called informational activities, and to ask him for a break-down of them, ask him what these people are doing. That is what should be done. But in fact hon. members are, perhaps understandably, more interested in making speeches on general topics. That is a general statement. It does not apply to every hon. member. There are a good many instances that I have seen in this House of Commons. Again I will not single out individuals, but I know of two or three in the opposition who are extremely persistent, and rightly so, in getting information as to particular functions of government, whether it be the film board, the C.B.C. or whatever it may be.

Mr. Knowles: Health and welfare.

Mr. Abbott: Yes. My colleague the Minister of National Health and Welfare (Mr. Martin) will be glad to elaborate on the excellent work which is being done by the information service in his department when his estimates are under discussion. The point I am making is that members of parliament—and members of the opposition in particular—should see that they get that information.

We talk about failure to be able to examine officials of the departments directly. Let me point out to the house that the public accounts committee is a standing committee of this house. It is true that it examines past and not future expenditures; but surely if one is looking for evidences of extravagance, they are not starting in the coming year. If they exist, they existed last year, and there is opportunity in the public accounts committee for any hon. member, and in particular for hon. members of the opposition, to ask that any deputy minister, or any official of any department, be brought before that committee, and to examine him to their heart's content as to the details of the particular services of the department.

It seems to me that before we talk about setting up outside bodies to do the job we should get down to the dreary, tiresome, politically unrewarding job of digging into the details of expenditures instead of making sententious speeches in the house on general questions.

There is not a complete analogy by any means between our system and the United States system of government. I am not too familiar with the details of the report of the Hoover commission. I understand that it conducted its investigations for some considerable time stretching over two or three years, spent a good deal of money, and made certain recommendations. So far as I have been able to ascertain, up to the present time nothing has been done about them. But the point I want to make is that under the United States system, as the house knows, the executive is not responsible to the legislative body. The cabinet system is very much less highly developed than it is in Canada under the British system. I understand that in the

course of its two-year investigation the Hoover commission found over 1,800 separate and distinct federal government agencies, many of them with overlapping functions, and so on, none of them directly responsible to any department of government.

Historically, of course, under our system every government agency is responsible to parliament through a responsible minister; and, as I said a moment ago, my colleagues and I believe that the public of Canada have the right to expect parliament itself, the members of parliament itself, to exercise a constant and vigilant scrutiny over the conduct of administration, to search for waste and duplication; in other words, to do the job that they sent hon. members here to do. And if I may say so, I think that the members of the opposition, and of the official opposition in particular, have fallen down on that job. They have done a lot of talking about waste and extravagance; they have done a lot of talking about their being unable to get information as to the details of the public service, and they have made a lot of general speeches; but they have not got down to brass tacks in the public accounts committee, or in this house, to scrutinize the details of expenditures in any single government department. Until that is done I do not think that the government, or this parliament, would be justified in hiring some outside body of people, who would not be responsible to anyone but themselves, however capable, however competent they might be, to discharge a function which is historically, and properly so, the function of this House of Commons.

Mr. Macdonnell (Greenwood): They did it in the film board.

Mr. Abbott: I was coming to that. In certain cases where the government itself felt that it could get usefully the benefit of outside opinions as to particular functions, commissions have been set up, and commissions of that sort were created in the case of the film board and in the Mainguy report.

Mr. Drew: And the radio.

Mr. Abbott: And the radio. I think it is probably fair to say that in both the film board and the Mainguy report no very serious instances of waste, duplication or inefficiency were disclosed. There were suggestions for improvement. That was what the commission was asked to report. But there were no disclosures of serious inefficiency, waste or extravagance. In fact, in the case of the Mainguy report, there were disclosures of some shortcomings in disciplinary conditions and the like, but again no serious evidences of waste or extravagance. So far as the form of the presentation of the estimates is concerned, I have a perfectly open mind. We attempted to make some improvements this year by, for instance, consolidating the items, as was suggested by the Auditor General. But let me point out to the house that I have been reluctant to carry that practice too far, because it takes away from parliament a considerable measure of control and gives a very much wider measure of discretion to the executive.

However, as to the form in which the estimates are presented, or as to the detail the house may wish to have, I have a completely open mind. If they wish to have the estimates presented in ten volumes, it is all right with me. When we come to consider the details in treasury board, which is a long operation extending over several months, there is a tremendous mass of detail presented. Personally, I believe very little use would be made of it by most of the members if that detail were printed *in extenso* in the estimates, and it would run to considerable expense. But it is open to any member, either in committee of supply or elsewhere, to ask for the fullest detail about any particular item.

As I say, I have no preconceived ideas about the form of the estimates. It may be that they can be improved upon. It may be that it would be desirable to set up a special committee of the house—a small committee perhaps—to consider the form of the estimates, and to see whether they could be presented in a way through which it would be easier for members to ascertain just what the details are. But, so far as setting up any outside commission is concerned, to make a general survey of government practice and administration, I state, and I state it frankly that until we have demonstrated that we are completely unable to do the job we were sent here to do, I do not think we are justified in making any such move.

I do not think there is anything more I need to add. I am glad the question has been raised, because I have been waiting for an opportunity to deal with it. However, I have expressed the considered view of the government, and it is the considered view of the Minister of Finance.

Mr. Solon E. Low (Peace River): Mr. Speaker, I do not wish to take up too much time, but I do feel that the amendment moved by the leader of the opposition (Mr. Drew) is important enough to warrant my saying something on the subject. I have listened to his case with a good deal of interest. To some extent he aroused my concern over the whole question of efficiency in government.

I listened to the Minister of Finance (Mr. Abbott), and I think perhaps there was a good deal to be said for the attitude he took. I do believe however that the minister is overlooking a number of very important facts. In the first place, even if we were to agree that he was right in saying that the function of the opposition is to do exactly what is envisioned in this amendment, it would be physically impossible for them to do it in present circumstances.

I believe the Minister of Finance must be well aware of the tremendous number of responsibilities placed upon every member of the house—and particularly members of the opposition. We serve on committees, and if we are to discharge our responsibilities properly we must do a great deal of work on those committees. We have not staffs, as they have in the United States. As individual members of the house we are not given any allowance to retain staffs. We know that in the United States staffs granted to members can carry on research work and provide material so that members of the congress are not necessarily made slaves in the preparation of that kind of material, and have the time to do something more important.

We have not a great number of members on the opposition side of the house. Even if we were to unite all three parties and organize most carefully the division of responsible business, we still would not have sufficient to deal with the details of investigational work as envisioned in the amendment. I know if I were to get down to what I consider my duty in respect of those things mentioned by the leader of the opposition I would simply have to neglect a great many other things that are most important to the business of government, and leave out entirely political considerations which it seems must follow almost every member in the house.

I cannot see how the minister's contention is tenable at all. I would have to have a great deal more evidence than he has been able to give me that we could do it, even if it were laid down as a definite principle that the responsibility of the opposition is to do exactly what is indicated in this amendment.

I have always favoured any proposal which would enable the people's representatives anywhere and in any party to get at the truth.

It is only when we are in possession of all the truth we can possibly muster that we are able to discharge the responsibility devolving upon us as responsible representatives of the people. As things are carried on in parliament at the present time we cannot, as individual members or as members of party groups, discover all the things we need to know, if we are to do the effective work that the people have every right to expect us to do.

For instance, in my budget contribution made some time ago I proposed the setting up of a commission to investigate those factors operating within our economy which cause the gap between national income on the one hand and gross national production of Canada on the other to persist. In other words this would be a commission to find out exactly what it is and why it is that the total of money supplied all the people is not sufficient to move or to distribute the national production. That in itself is a matter of tremendous importance. I say that until the facts of that situation are fully brought to light we shall not in any way be able to take such action as will put Canada in a position whereby she would be effectively cushioned against depression.

The amendment offered by the leader of the opposition calls for a much more comprehensive investigation than I have proposed. I consider however that his amendment could be broadened sufficiently to include the sort of thing I had in mind. As a matter of fact it was during President Hoover's administration that a commission was set up in the United States to do exactly the thing I have proposed. I do not believe it is in any respect a reflection on the honesty and integrity of members of the government when I say that a great many people in this country feel uneasy about the way in which their money is being spent, and how efficiently or otherwise the mechanisms of government are functioning.

I believe most people are aware of a mushroom growth in government during the war. I know I am. I know I have talked to many hundreds of people who had expressed concern about that mushroom growth. They expected, and had every reason to expect, a considerable reduction in the bureaux, departmental layers, employees and expenditures after the war was over, and during the early post-war period. They have not been made aware of any such reductions as they expected. They hear stories today of overloaded branches of government where employees are supposed to be spending much of their time trying to keep happy with nothing better to do than to knit or write letters home or compose odes to a very dull life or something of the sort.

I have heard such stories myself from employees of departments right here in Ottawa. They may have been just pulling my leg, I do not know; but even if they were the stories are persistent. I do not think I am saying anything other than the absolute truth when I say that the taxpayers, the

electors of the country, are entitled to know whether there is any truth in these rumours. What is more important, they are entitled to know what measures have been taken to ensure efficiency in every department of government.

I am quite sure the government want to feel secure in the knowledge that they have an efficient mechanism in every branch of government. I pay them the compliment of saying that I believe they are concerned about it. Because I know they are concerned, then I say that they certainly should welcome such a suggestion as we have put forward. The amendment calls for the reduction of public expenditures to the lowest point consistent with efficiency. That does not mean measly cheese-paring. I would not want that sort of thing myself and I would not support any amendment that would hold the government down to a cheese-paring position. I do not think that is what is envisioned, but I certainly do feel that even the Minister of Finance (Mr. Abbott) would want to know that in every single department of government there is that type of efficient organization he can depend upon, that there will not be a building up of cushions to fall back on.

I would like to see curves prepared showing expenditures by departments according to the months of the year. I guarantee that if experts were to draw a curve for each department it would reveal to members of this house an increase in expenditures just prior to the end of the fiscal year. Such an upcurve in expenditures in the months just prior to the end of the fiscal year I suggest indicates that the department is doing its level best to spend the maximum amount in order that it can make out a good case for as heavy or heavier appropriations for the following year.

I have seen that done, and sometimes it is done quite cleverly in spite of the fine work of the treasury board. I am satisfied that the treasury board is much too busy and cannot possibly do this work efficiently.

Mr. Abbott: My hon. friend, having been a provincial treasurer, knows why that is done. Work may have been done but if the bills are not cleaned up by the end of the year you have to have a revote, which indicates a duplication.

Mr. Low: I make allowance for that. What I am referring to is the possibility of the hasty expenditure of funds on things the department does not need. I have seen that happen in a great many instances. The curve or graph that I mention showing the expenditures by months in the department would reveal this sort of thing. I am satisfied that it would reveal that the department is spending money on things it does not need merely as a means of ensuring that the appropriation for the forthcoming year will not be pared down.

I think that in itself would be a useful function of a group of business experts. I am not making a charge of any kind. I submit that it would be most useful for me as a member of this house to have that information so that I might do my duty as I want to do it. There are a great many other things I could say in support of this amendment, but I must stop now as I have another engagement that calls me away. However, I want to say that I am going to support it.

Mr. W. Ross Thatcher (Moose Jaw): Mr. Speaker, I shall take only three or four minutes to deal with this amendment. I must say frankly that I find myself in agreement with a great deal of what the leader of the opposition (Mr. Drew) said this afternoon. I find it hard to believe that with a budget of $2·4 billion there is not considerable overlapping or inefficiency. The minister has repeatedly emphasized that the government intended to bring down expenditures and practise economy. I remember that in his 1949 budget speech, he stated "the government is practising the most careful economy and efficiency in all departments" and moreover that "it has decided on a general policy of curtailing expenditures."

Many Canadians, and I am one of them, wish the minister would reveal specifically where he has practised the economies he mentioned in the past year. He said that the opposition is responsible for pointing out cases where economy can be practised. As I understand parliamentary procedure, the Minister of Finance is primarily responsible to see that expenditures are not excessive and that requests from other departments for expenditures are cut down if they are not necessary.

When I look at the estimates, I see that in department after department expenditures are being increased—not decreased. According to these estimates in about twenty-three departments the expenditures are up considerably. The decrease of $66 million in the Department of Finance is, I presume, chiefly due to interest savings, and a large part of the decrease in veterans' affairs is due to the fact that not so much needs to be done for our veterans now as just after the war. In most departments, expenditures are still going up, even though the war has been over for five years. It looks to me as though spending is going on unabated.

The minister has asked hon. members repeatedly to give specific instances of where savings might be made. I see the Minister

of Agriculture (Mr. Gardiner) is in his seat. I have in my hand a report on the operations of the Prairie Farm Rehabilitation Act which shows that there are about 1,500 or 1,600 men employed. They are listed on page after page. Some are paid $20, some are paid $50 and others are paid as high as $5,000. In my opinion the P.F.R.A. is accomplishing much in the prairie provinces, yet I wonder how at every election these P.F.R.A. trucks can run around working for Liberal candidates. I am not casting any reflections, but I suggest that here might be a place where some economy could be practised.

Mr. Abbott: Always qualifying these suggestions for savings.

Mr. Thatcher: I am also a little concerned about the defence estimates. I admit candidly I do not know too much about defence matters; but I remember that when the Minister of National Defence (Mr. Claxton) was discussing his estimates last year, on the same day I read in a Toronto paper that Marshal Tedder of the R.A.F. had said that one of the jet planes which we were producing in Canada for the R.C.A.F. was obsolete. That statement may not have been correct, but it was said, and I am concerned about it. I am one of those who wish that the minister would let us query defence expenditures a little more carefully before a special committee of the house.

I do not know whether we can support this amendment. Frankly I am not too keen about the wording, though I approve the principle. The leader of the opposition pointed out that the Hoover commission in the United States indicated where several billion dollars could be saved without impairing the efficiency of the public service. If that could be done here it might be worth setting up a similar committee. From what I have seen of them, I am not too keen about royal commissions, because immediately they are set up you have another expenditure. Even though some savings might be achieved, the nation would start out with an immediate cost of $200,000 or $300,000 to set up such a body. Then, too, we find far too often that these commissions bring in their reports and nothing is done about them.

I do not like the first clause of this motion, which calls for "the reduction of public expenditures to the lowest point consistent with efficiency." If that were changed to "the reduction of administration costs to the lowest point consistent with efficiency" I could support it, but I am afraid I could not do so as it reads at present. There are many public expenditures which may be needed to maintain full employment, for irrigation and the like. Thus I believe there might be some contention on clause one.

Mr. Speaker, I believe something should be done about our estimates. I think the C.C.F. group would prefer to see a committee of the house set up, as the minister offered a moment ago, rather than a royal commission. For myself, at least, I would favour such a proposal.

Mr. J. G. Diefenbaker (Lake Centre): I desire to make a few observations, Mr. Speaker, arising particularly out of the remarks of the Minister of Finance (Mr. Abbott), who I believe should have given more consideration to the seriousness of the situation with respect to the present levels of expenditure and taxation in this country. It was not as though he were not fully aware that this matter would be brought up. Indeed, he advised the house that he knew it was to come up, and was in a position yesterday to reply to the suggestions made by the leader of the opposition (Mr. Drew) in his radio speech; but because a vote was desired he chose not to deal with the matter on that occasion.

The Canadian people are not conditioned to a continuance of taxation at the present level. They are asking for the maintenance of necessary public expenditures; but as the only prelude and road to the reduction of taxation is to reduce unjustifiable expenditures they are also asking that unnecessary and unjustifiable expenditures shall be done away with. In the course of his budget speech the minister pointed out, with what I thought was almost an attitude of hopelessness, that Canadians could not hope for any reduction in the present expenditures in future, which was tantamount to saying that the present level of taxation will be maintained.

I cannot understand the reason for the reference to the Auditor General made by the Prime Minister (Mr. St. Laurent) today; and I only hope that the Auditor General, responsible as he is to parliament, in the discharge of his functions will not find himself in the position in which Mr. McGregor found himself when carrying out his responsibilities. No man in this country occupies a position equal in political neutrality to that of Mr. Sellar, as Auditor General. His purpose is to audit and to contribute, by suggestion and recommendation, to securing for the Canadian people the best possible return for the money collected from them.

The minister stated that, no direct allegations of wasteful extravagance having been

made, therefore there is no reason for action or investigation by any outside body, as suggested by the leader of the opposition. In connection with the film board, to which reference was made by the hon. member for Greenwood (Mr. Macdonnell), I suggest that an outside body was set up, and that it found inefficiency. I shall refer to two examples that appear in that report. The first is at page 25, where it states:

> At the present time more than five thousand individual accounts are kept to cover work orders and expenditures. This in itself adds tremendously to the work of the accounting staff and also to others who must approve expenditures or review and interpret the accounts. Some of the accounting analysis has been provided in order to supply information which was requested by or considered necessary for the management of the board . . . The chief treasury officer at the national film board has considered such an analysis necessary but, as far as the board is concerned, it appears to serve no useful purpose. In our opinion the number of individual accounts could be reduced by not less than seventy-five per cent without loss of control over expenditures.

Then on page 27 I find this, referring to costs in the year ending March 31, 1949, totalling $860,000:

> The total costs which should have been apportioned were therefore some $300,000 in excess of $860,000 apportioned to individual film productions. In other words, such costs were understated by 26 per cent. In future the costing methods should be changed to reflect in the cost of individual films all production costs incurred by the board.

I have referred only to two of the findings of the independent board that looked into the matter. In an editorial on April 6, 1950, the Saskatoon *Star-Phoenix* said in reference to the report made:

> An investigation into the operations of the national film board, for example, revealed a state of financial chaos. The board, it seems, has been making commitments with a fine disregard for the availability of funds. At the end of its last financial year it was discovered to have understated its film production costs by 26 per cent.

Then come these pertinent words, which I commend to the attention of the Minister of Finance:

> The conditions which this report reveals are of more than casual interest. As contributors to the public purse, the Canadian taxpayers deserve to know how their dollars are being spent. And when they discover disorder in one department's house, they are immediately suspicious that the same conditions may be found elsewhere.

Surely the examination of one minor department, spending as the film board does a comparatively small amount, which brought to light these two examples of inefficiency and, as mentioned in this editorial, financial chaos, bears out the necessity of assuring that in other and greater departments like conditions shall not be permitted to exist.

[Mr. Diefenbaker.]

Mr. Gillis: I rise to a point of order. The hon. member for Lake Centre (Mr. Diefenbaker) has read into the record a statement from a newspaper, prepared outside this house. What verification has he for the figures he has put on record from that editorial?

Mr. Diefenbaker: I do not know whether my hon. friend was in the house when I commenced my remarks, but I first read from the report of the investigation of the national film board, which revealed the facts that form the basis of the editorial to which I have made reference.

Mr. Gillis: No, that is not the point.

Mr. Diefenbaker: Oh, yes, it is the point.

Mr. Gillis: My hon. friend, as a very learned lawyer, realizes that the clinching argument he put over was an editorial that he read from a newspaper citing certain figures for which there was no authority. I want the authority.

Mr. Diefenbaker: I have read the authority, and if my hon. friend has not read the report it is the National Film Board Survey, (Organization and Business Administration), 1950.

Mr. Gillis: I have read that report, but it certainly does not bear out the editorial you have just read.

Mr. Diefenbaker: If my hon. friend read it he did not understand it, if his conclusions be as he now states. I read first from that report, and then I read the attitude of a Liberal newspaper, based on that information. It went on to say this:

> Our budget for this year—

Mr. Gillis: Mr. Speaker, on a point of order, I resent the attack by a member of this house on a publicly owned body that should be supported and looked after by this house. I want to ask you a question, Mr. Speaker, on a point of order. Is it permissible for an hon. member to read into the records of this house a statement prepared outside this house? Look up your little book.

The Acting Speaker (Mr. Beaudoin): I do not think I need to look up the little book about this matter. The member for Lake Centre (Mr. Diefenbaker) is quoting from a newspaper editorial, he quoted the source of the article from which he was reading; that is all in *Hansard*. If there is anything in the article which in the opinion of the member for Cape Breton South (Mr. Gillis) is not accurate, that is for him to judge. The member for Lake Centre is taking the responsibility for what he says when he quotes the

newspaper article in support of the arguments which he is putting forward. See Beauchesne, third edition, citation 262.

As to the question put by the member for Cape Breton South, I should like to point out to him that it is not the practice for any hon. member to ask questions of the Speaker from the floor.

Mr. Gillis: My question was on a point of order.

Mr. Diefenbaker: I continue reading from the editorial to show the attitude of this newspaper, and many others across the country, following the suggestion made by the leader of the opposition in that radio speech. It says:

> Our budget for this year is $2,400 million. The time has come for an efficient examination to discover whether these dollars have been spent with as much effect as dispatch. A commission would at least succeed in focusing public attention on glaring waste or extravagance, even if it left the correction to fallible politicians. Mr. Drew's suggestion of a royal commission it seems to us is the first step in discovering means to control government expenditures. We expect the government to study this suggestion immediately after the parliamentary recess.

I suggest this to the minister through you, sir, that the fact that there was an independent examination in connection with the national film board, and that glaring irregularities were thereby ascertained, in consequence of which the minister in charge of that department made changes as a result of those recommendations, supports the request of the leader of the opposition. Having regard to what was found during that investigation into that department, an investigation into other departments might easily reveal circumstances which would save the Canadian people a large amount of money.

My hon. friend the Minister of Finance mentions that the opposition does not discharge its responsibility in asking for a royal commission. I would point out to him that in the province of British Columbia a body was set up within the last few months for the purpose of ascertaining what economies in government could be effected. A group of trained men were asked to examine the accounts. I read from the *Free Press* as to the results:

> Evidently appalled at its own budget of $105 million the British Columbia government has decided, rather late, to find out where all the money is going. During the next year a firm of efficiency experts, having already effected large economies in one minor branch of government, will explore the other departments.

There is an example of what is being done in British Columbia through scientific examination by trained experts, whose purpose was to ascertain where duplications can be eliminated while assuring general efficiency of government.

My hon. friend says that the opposition does not discharge its responsibilities. If it does not discharge its responsibilities, and that is something I am not admitting, its failure is due to the complexities of modern government. If it were to examine details of expenditure as they would be examined by a group of efficiency experts in the matter indicated by the leader of the opposition, were that searching vigilance which should characterize an opposition and did characterize all oppositions until after the first war, a great deal of time would be consumed. As a result of the complexity of government and the mushrooming of departments and agencies, one reading *Hansard* can only conclude that, whether the opposition belonged to the Liberal party as it did during the years 1930-35, or to the Conservative party as it did during the years from 1921-30, it has become impossible for members of parliament to scrutinize expenditures as they should be scrutinized.

Dr. Beauchesne, who was for many years the clerk of this house, and the outstanding expert on parliamentary procedure, wrote an article recently in *Canadian Business* dealing with the procedure in parliament. He says this:

> What concerns most Canadians is how parliament can be made a more effective instrument to serve the interests of Canada and democracy.

Then he states:

> When the estimates are brought down by the government the house goes into committee of supply, which is a committee of the whole house. The handling of the estimates in this committee is, I fear, many times nothing but a farce. When the estimates of a certain government department are up for debate the minister heading the department gathers his experts around him (civil servants) and they are supposed to feed him the answers to all and every question which may be put.
>
> It must be obvious to anyone that the size and ramifications of government make it impossible for any minister or his experts to answer adequately all the questions arising from the estimates for his department. We are today dealing with millions and hundreds of millions of dollars of public funds. But the estimates for these public expenditures are passed with only the most perfunctory examination,—

In that quotation I have set forth the suggestions of a man who knows parliament. It might be argued that estimates should be considered in a committee. A committee could be set up for the several departments of government, and the estimates could be examined in that way. In the United Kingdom, the public accounts committee is the committee that investigates expenditures. It

has as its chairman a member of the opposition party. It has as its membership a majority of the opposition. In what I am about to say I shall not be speaking of the present public accounts committee composed as it is of outstanding members of this house. I am speaking of other committees that I have been on in previous parliaments. Whenever any member of the government was present in that committee, and a matter arose that might be difficult to answer or embarrassing if answered, objections were immediately raised that it was not a proper question. On every occasion on which such an objection was raised, for some reason it was sustained and the questioning on the part of opposition members was squelched and denied. I think of the committee on agriculture—

Mr. Isnor: Which committee was that?

Mr. Ross (Souris): Several.

Mr. Diefenbaker: I am speaking of the committee on agriculture. I am not speaking of the committee on war expenditures presided over by my hon. friend the hon. member for Halifax (Mr. Isnor). On his behalf I can say this. As chairman of that committee, he endeavoured, at all costs, to secure information; and I pay him that tribute.

Mr. Ross (Souris): That happened on public accounts too.

Mr. Diefenbaker: I am speaking about the committee on agriculture.

Mr. Gardiner: I was not there often.

Mr. Diefenbaker: I know that. But whether present in person or not, the minister was always there in spirit and the influence was equally great. I remember one occasion when a certain matter came up. I am not sure of the year, but I think it was 1943.

Mr. Ross (Souris): 1942.

Mr. Diefenbaker: Yes, 1942. The grain exchange had been closed. Trading had been ended. As a result of an examination of the accounts it was found that $520,000 had been paid to various individuals who formerly operated on the exchange, in return for services which they had previously performed but were no longer performing. We asked, "Who are these favoured persons? Give us the list. There are 108 members connected with the grain exchange. Who are they?" It was strange, Mr. Speaker. Some of them received $7,000 a year and one received $8,000. Then others who were not in the king row received $50 a month. They all got paid. We asked for the information: Who are these people? After all, that expenditure came out of the Canadian people. But that information was denied as not being in the public interest.

Mr. Gardiner: You are not suggesting that I was the minister responsible, are you?

Mr. Diefenbaker: No, no. The minister brought himself into it, as a matter of fact. I did not suggest that.

Mr. Ross (Souris): His was just the guiding hand.

Mr. Gardiner: No. I had nothing to do with it.

Mr. Ross (Souris): In those days it was different.

Mr. Diefenbaker: The minister brought himself into it.

The Acting Speaker (Mr. Beaudoin): Order.

Mr. Diefenbaker: Next I think of the Canadian National Railways. The minister says in effect, "Ask and you shall find out," when I asked the question as to how much was paid as an honorarium to the retiring president of the C.N.R. Some say it was $100,000; others say it is less than $100,000. The answer in effect is that parliament dare not know that. It is not in the public interest because competitors might have an advantage. What competitor of the Canadian National Railways would have an advantage in finding out that the president on retirement—after staying on a year and a half after sixty-five, as he ought not to have done according to the regulations of the C.N.R.—received in addition to retirement allowance a gift that comes out of the Canadian people. The answer is:

> It is not the practice for the Canadian National Railways to grant retiring allowances to any officers in addition to pensions, as provided under the regulations of the C.N.R. pension fund. The only exceptions have been an allowance, authorized by the board of directors, to the chairman or president upon retirement.

We asked how much, and the Canadian National Railways, which comes back to parliament to make up any deficiency, believes it is not in the public interest to give to parliament such information, and that the Canadian people should not know where their money is going.

There are other examples that one could give. I give a recent one. I think of Mr. Justice "C". His identity will remain anonymous except that his name does not begin with the letter "C"; and so speculation as to his identity continues. He received $15,000 from a royal commission in one of the provinces of Canada. Who he was, we do not know. But he made an arrangement with the deputy minister of national revenue whereby

that $15,000 would not be charged to him as his income in one year but would be subdivided over a period of three years. How often does that happen? How many other Canadians find themselves in a like position?

Mr. Abbott: I am not familiar with the facts. Is my hon. friend certain of the facts? I thought he had claimed complete exemption for it and that it had been disallowed.

Mr. Diefenbaker: No. I will go on from there.

Mr. Abbott: I am asking for information.

Mr. Diefenbaker: I am glad the minister asks.

Mr. Abbott: Just as a matter of interest. It was not federal money that was being spent, of course.

Mr. Diefenbaker: It is an interesting case.

Mr. Abbott: It was not federal money that was being spent.

Mr. Diefenbaker: No; but the federal treasury, in consequence of the changing of the allotment as to when the payment was made, was in fact losing part of the income tax that would otherwise be collectible. An arrangement was made—and I see no authority for it—with the deputy minister that $15,000 would be apportioned over three years. Then after the appeal board was set up, two or three years later—Mr. "C", for Mr. "C" he must remain, then appealed to the appeal board on the ground that it was an honorarium; and argued that he was not liable for anything. The appeal board said, "Oh, yes, you were." One of the commissioners said, in effect "Not only were you liable, but the deputy minister of national revenue had no authority, three years ago, to trifurcate your income; and you are now liable on $15,000 as though earned in the year in which it was in fact earned.

Mr. Knowles: I wonder how the income tax people will treat Mr. Vaughan's retiring allowance?

Mr. Diefenbaker: That is another matter we have no information about.

Mr. Ross (Souris): Not in the public interest.

Mr. Abbott: My hon. friend knows that it has never been considered sound public policy to make public the private affairs of individual taxpayers.

Mr. Diefenbaker: That is perfectly true.

Mr. Abbott: The hon. member for Winnipeg North Centre (Mr. Knowles) wants that done. I know that.

Mr. Diefenbaker: That is true.

Mr. Gillis: What happened with regard to Mr. Thornton?

Mr. Diefenbaker: In the case of Mr. "C", the matter did become public because the judgment was handed down; and the only thing that did not become public was the identity of Mr. Justice "C".

Mr. Macdonnell (Greenwood): Who is not "C"?

Mr. Diefenbaker: When we try to get the information with regard to that, or the evidence, the answer is that it cannot be given.

Some suggestion was made that it would cost a great deal of money. Royal commissions ordinarily do cost much money. The hon. member for Moose Jaw (Mr. Thatcher) said that the cost worried him. When Mr. Hoover took over the chairmanship of this commission in the United States, the only members of the "task forces" who were paid were the research staff. Three hundred public-spirited Americans, learned and trained in various departments of government or of business, accepted the job as their contribution to the assurance of full and complete businesslike economy in the government.

My hon. friend, the leader of the opposition, has mentioned the fact that parliament cannot get information, or any detailed information, regarding defence expenditures. In effect the answer given in every case is that it is not in the public interest. I am going to read from the United States *News and World Report,* which contains in detail the answers to questions that were asked Mr. Hoover regarding the Hoover commission. As soon as these reports came out last year I took it upon myself to read them. I have not the technical knowledge to understand some of the recommendations made. They were not final until adopted by congress, or by the department concerned. In connection with defence Mr. Hoover said:

> All investigations hitherto have been made by hiring mostly research people. We added strength to research by groups of citizens of judgment. They were objective-minded men. One reason why I believe the armed services' organization bill will be enacted is because of the strength of that task force in their evidences to the congress.

He was asked if they took men from outside the armed services and the answer is:

> That's right. Ferdinand Eberstadt was the chairman, and that task force included fourteen of the ablest citizens you could find in the United States, every one of whom had had contact with war activities of the government. They were all independent men, none of them in the government, and they had the best of military advice.

He said that this committee, the task forces investigating the several departments of government, did so without regard to any political considerations whatsoever. Their

whole purpose was to assure to the people of the United States, as I believe the Canadian people are entitled to be assured, that so long as taxation is imposed, in the expenditure of that taxation there shall not be waste, extravagance or overexpenditure.

Mention was made by my hon. friend, the leader of the opposition, of the constant flood of propaganda that comes out from publicity departments of government. I think the high mark in that direction was the one issued by the Department of Resources and Development, editorial and information division, on April 20, 1950. They meant to announce that the trans-Canada highway agreement would be signed on the following Monday. It is on the official stationery of the department. But they did not announce it in that way. They announced it in this way:

> The trans-Canada highway agreement will be signed in Ottawa, Monday, April 24, it was learned today from official sources in the Department of Resources and Development.

One set of officials in the department told the other set of officials that they in turn should tell the Canadian public that on a certain day certain things would be done. It became a merry-go-round in the department, in the giving of simple information which was simply this: the trans-Canada agreement will be signed in Ottawa on April 24. Suffice it to say that the people of Canada want parliament to ensure a 100-cent return on every dollar expended.

No minister of a department can hope to have the knowledge of his department that will enable him to answer all the questions. He has to depend on his research specialists and civil servants. I repeat what I have said on previous occasions. No one who did not serve in the opposition during the days of the last war, and since, can have any conception of the amount of work that a member of parliament must do if he endeavours to discharge his responsibilities.

Mr. Abbott: Hear, hear.

Mr. Diefenbaker: The degree of research, the amount of reading—and one can only concentrate on one or two items—becomes so overwhelming that finally many hon. members find themselves in a position where in frustration they adopt an attitude of resignation, and I mean, of mental resignation.

I feel that the opposition could increase its effectiveness if given research assistants. The minister has stated that he has an open mind as to whether or not there should be an increase in the estimates in the degree of information furnished therein. As I said this morning, to the public accounts committee of 1890 I find the smallest expenditures made were set out in detail. I am not going to repeat the expenditures to which I made reference in the committee.

Mr. Macdonnell (Greenwood): Give us some of them.

Mr. Abbott: I was reading them in the evening paper. They are very interesting.

Mr. Diefenbaker: The Minister of Finance says that he was reading them. I have a summary of them here. Under the heading of contingencies, the Canadian House of Commons that year needed two crib quilts.

Mr. Sinclair: Oh happy days!

Mr. Diefenbaker: In one item, food for the cabinet. A later one was refreshments for the cabinet. A little further down there were goblets, Mr. Speaker, and finally there was an item for a corkscrew. All I can say, Mr. Speaker, is that the grouping of items such as that may very well be considered as more than coincidence. What of the public accounts of today? Only details in the expenditures to the individuals named that are over $10,000. In lower amounts one does not even have the identity of the individual who has received them. One of my colleagues suggests to me they might find their way under the heading of sundries. They do not even find themselves in that.

I was pleased to hear the minister say that he is of open mind as to whether greater details should be given. Then he indicated that the volume would be about a foot and half in depth.

Mr. Abbott: A big one.

Mr. Diefenbaker: Yes, it would be a big one. Well, if we did away with a lot of this propaganda being handed out by some of these departments I believe the saving thereby could very well be translated into greater detail in the statement of expenditures.

The budget indicates that the taxation, both direct and indirect, in 1949-50 is greater by $12 million than it was in 1945-46, the year immediately following the war. Realizing that large "cold war" expenditures must be made, I feel that the people of Canada are asking parliament to do something to remove at least a portion of their load of taxation arising from unjustifiable expenditures.

In 1945-46 direct taxation amounted to $1,453,373,000 and indirect taxation to $821,485,000. I believe it was after that date that the dominion dropped the special taxes on gasoline, amusements and parimutuels. In 1949-50 direct taxation amounts to $1,269,500,000 and indirect taxation to $1,016,500,000. In other words, while Canadians are paying less in direct taxation,

which they feel, they are paying a great deal more in indirect taxation which they do not feel when making the payments.

Mr. Abbott: Their national income is very much higher, too.

Mr. Diefenbaker: The national income is higher. I realize that perfectly well. But the fact remains that Canadians are now paying much more in indirect taxation than they were in 1945-46 immediately after the war, and during the period of rehabilitation incidental to the termination of hostilities.

Canadians know what taxation is. They realize the need to meet the challenge of the cold war. Our expenditures in connection with defence and the preservation of our freedom amount this year to $425 million, with an additional amount of $144 million to cover ships and munitions to be delivered in future years. When one brings such an expenditure down to the family level and realizes that they mean $700 for every average Canadian family and 80 cents out of every dollar paid in income taxation, we must realize that we have a responsibility to reduce unnecessary governmental expenditures, not by doing away with social services but through the application of business principles as they have been applied in British Columbia in the past year, and will be applied in the next year. If we could save even a portion of the percentage of savings that the Hoover commission has been able to recommend in the United States, then such a commission would be a worth-while investment.

Such a commission would not be political, and would do no political harm to anyone. It would recommend where needed the application of business principles. It would not be the assumption by a royal commission of the functions of the opposition or parliament. That was not the result in the United States when the Hoover commission was set up; it has not been the result in British Columbia. It is a simple process of bringing up to date the machinery of organization in all departments of government to meet a changing world and to cope with the intricacies and difficulties incident to the complexities of modern government.

I feel that in the suggestion made by the leader of the opposition there is a challenge to the imagination of the Canadian people. I found a most favourable reaction to that suggestion after he had made it. Men and women on the farms and in the factories—and in all walks of life—in view of the minister's statement in the budget speech that there is little hope of any reduction in taxation, are greatly concerned about this matter. In view of the gravity of the minister's statement, and in the light of the experience of the Hoover commission in the United States, it is their hope that Canada will fall in line with what has been done by the Hoover commission, altering some of its terms to meet our conditions and bring them in line with our British traditions of government.

Such a commission in Canada would be no abnegation of our parliamentary responsibilities. It would be a realization, not of impotence on the part of members of parliament, but of a desire by parliament to do something to modernize our system of administration to the end that savings may be achieved without a denial of those things that make for the better life.

Mr. Pouliot: Would you suggest "Mr. C." as chairman of the royal commission?

Mr. Diefenbaker: He must have been a trained chairman of a commission.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

RAILWAYS, CANALS AND TELEGRAPH LINES

Third report of the standing committee on railways, canals and telegraph lines—Mr. McCulloch.

FOURTH REPORT—PROVISION RESPECTING CAPITAL STOCK CHARGE

Mr. McCulloch: Mr. Speaker, I have the honour to present the fourth report of the standing committee on railways, canals and telegraph lines, in both English and French; and I move:

That the recommendation contained in the fourth report of the standing committee on railways, canals and telegraph lines, respecting a capital stock charge on Bill No. 9, an act to incorporate Prairie Transmission Lines Limited, be concurred in.

Motion agreed to.

CANADIAN WHEAT BOARD ACT

AMENDMENT RESPECTING PAYMENTS TO PRODUCERS IN CHURCHILL AREA

Mr. P. E. Wright (Melfort) moved the second reading of Bill No. 5, to amend the Canadian Wheat Board Act, 1935.

Mr. Howe: Is the hon. member going to speak to his bill?

Mr. Wright: Not if I can get a vote on it without speaking. This is a fairly simple bill.

All it does is to add the word "Churchill" to two sections of the present wheat board act, in those parts of the act where the words "Port Arthur, Fort William and Vancouver" appear. The legislative effect of the amendment will be to make Churchill a basing point under the wheat board act the same as Port Arthur, Fort William and Vancouver, but the operative or practical effect of the amendment will be to place the growers of wheat in the area adjacent to Churchill in the same position as the growers of wheat who live close to the Vancouver area or to Port Arthur and Fort William and who have the advantage of cheaper freight rates to those ports while the wheat producer in the area adjacent to Churchill has to pay freight rates based on Port Arthur and Fort William.

As I proceed I shall show that this means a considerable difference in the net return to the grower in this area. When a similar bill was before the house last year the Minister of Trade and Commerce (Mr. Howe) stated that if a better price were received for wheat grown in that area as the result of Churchill being made a basing point under the world wheat agreement, he would agree with me that the benefits derived from that better price should be passed on to the growers in that area. I should like to quote from *Hansard* of October 6, 1949, where I am reported as follows:

> The minister did not answer my inquiry as to what the possible price might be at Churchill under the world wheat contract. Possibly he cannot do so at the present time, but if a favourable price is obtained for wheat at the port of Churchill under the world contract, a price in excess of the price at Port Arthur or Fort William, then I think it is doubly necessary that the people adjacent to that port should get some advantage from that price.
>
> Mr. Howe: I would agree.

I should like to quote from page 1088 of *Hansard* of March 24, 1950, where the minister is replying to a question which I had asked the previous day with respect to the price of wheat at Churchill under the world wheat agreement. The minister is reported as having said:

> In accordance with this resolution Canada may negotiate and complete sales under the international wheat agreement for Churchill shipment at prices in line with c.i.f. prices at destination as compared with St. Lawrence shipment. If such sales can be made, Canada would secure the advantage of cheaper over-all forwarding costs as the result of using this port. However, if Canada is called upon for wheat at the international wheat agreement maximum price or desires to put wheat at the international wheat agreement minimum price, we can only deliver wheat from Churchill at the Fort William-Port Arthur basic maximum or minimum prices as set out in the agreement.

Canada has not been obliged to put wheat at either the maximum or minimum price under the world wheat agreement. Wheat sold under that agreement has been on the basis of agreement as between the purchaser and seller, without having to make a demand on the consuming nation or on the selling nation. If this favourable price has been established for wheat at Churchill then in view of his statement last year I think the minister should agree that the price should be passed on to the growers in the area adjacent to Churchill.

I know of no other way in which that can be done than by an amendment to the wheat board act such as I have suggested. If the minister could show me that the advantage obtained through selling wheat through Churchill can be passed on to the growers in that area in any other manner, I would be prepared to withdraw my bill. But unless he can do that I think this amendment is necessary in order to accomplish the purpose of giving the growers in the area adjacent to Churchill the advantage of rates to that port.

When a similar bill was before the house last year one of the objections raised by the minister was that there were approximately 40 million bushels of wheat produced in this favourable freight area, but that in the past there had been only a little over 5 million bushels of wheat actually shipped through Churchill. He said that if the bill passed it would mean that the wheat grown in that area would be paid for at the favourable freight rate to Churchill which would result in the growers in other parts of the western provinces subsidizing the growers in the Churchill freight area.

As a matter of fact that has taken place for years with respect to Vancouver. In a return tabled on October 31, 1949, it is shown that during the years 1939 to 1944 the growers in the area adjacent to Vancouver received a subsidy of a little over $10 million because much of the wheat grown in that area was shipped through Port Arthur and Fort William. Largely because of the war, shipments through Vancouver were curtailed. I never heard any complaint by the wheat growers in other parts of western Canada with respect to that subsidization of grain grown in that particular area. I think we all considered it reasonably fair. Again from 1945 to 1948 growers in the area adjacent to Vancouver were subsidized, though not to the same extent. In 1945 the additional freight paid amounted in round figures to $150,000; in 1946 to $361,000; in 1947 to $686,000 and in 1948 to $396,000.

The wheat board received some compensation in return for this additional freight paid on grain from the Vancouver freight rate area shipped through Port Arthur and Fort William. It did not completely cover

the additional cost, but it did meet a considerable portion of it. My contention is that if today we shipped a certain amount of our wheat through Churchill at a favourable price, that money could be used by the wheat board to make up any deficit that might result from the payment to the growers on the basis of the Churchill freight rates. If this were done it would not place a burden on the growers in any other part of western Canada, but would give the growers in that area the advantage of freight rates to that port. I think that only fair, and a very good reason why at this time we should amend the act as I have suggested.

One other matter with respect to grain going to Churchill, about which something should be done, is the diversion charge which is at present levied by the grain handling companies on grain going through that port. That charge amounts to one and a half cents per bushel. A good many hon. members may not know what diversion charges are, though I believe that yesterday the hon. member for Saskatoon (Mr. Knight), in speaking of the port of Churchill, gave some information on that subject. This is a charge made on grain which an elevator company ships through a port where it has not a terminal elevator of its own and, as a result, has to turn that grain over to another company or place it in a government elevator. As the only elevators at Churchill are government elevators this means that every bushel of grain shipped to that port must pay that diversion charge of one and a half cents a bushel. Practically every elevator company in western Canada has terminal elevators of its own or leases elevators at Vancouver and Port Arthur-Fort William, and ninety-five per cent of the grain they handle goes into their own terminal elevators so no diversion charges are levied on that grain. It seems very unfair that Churchill should be penalized because of this practice. As a matter of fact the On-to-the-Bay association, in making its representations to the cabinet just a few days ago, had this to say:

> We would request that government instructions be issued to the Canadian wheat board for the cancellation of unwarranted diversion charges being made by western grain elevators of 1½ to 2 cents per bushel on grain when same is shipped to the port of Churchill.

I should like to give some figures to show the difference in cost between Churchill and other ports. The brief of the Hudson bay route association gives certain figures showing the cost of marketing grain from Saskatoon to Great Britain through various Canadian ports. I shall give the total amounts, and then will ask permission to have the complete figures placed on *Hansard*.

These are official figures of the Canadian wheat board, and show the cost of moving wheat to Great Britain over various routes. From Saskatoon via Churchill the cost per bushel is 45·949 cents. Via Vancouver it is 59·659 cents. Via lake and rail ex bay ports to f.o.b. St. Lawrence ports the cost is 58·037 cents per bushel. Via all-water to transfer points to f.o.b. St. Lawrence ports the rate is 56·671 cents. That is the cheapest rate on grain coming east. Via lake and rail ex bay ports to Halifax and Saint John the rate is 59·605 cents. So it will be seen that on grain shipped to Great Britain through Churchill from points such as Vancouver the saving is from 12 to 14 cents a bushel. If I have your permission, Mr. Speaker, I would ask that the full details of these charges be placed on *Hansard*, since I believe they would be of interest to all hon. members.

Mr. Speaker: Has the hon member leave to place these figures on *Hansard*?

Some hon. Members: Agreed.

Mr. Wright: The tables are as follows:

Cost of moving wheat from Saskatoon, Sask. to United Kingdom via Churchill

	Cents per bushel
Freight, Saskatoon to Churchill	12·600
Diversion charge	1·500
Elevation	1·875
Outward inspection and weighing	·200
Warehouse receipts cancellation	·004
Superintendence	·040
Bank charges	·130
Ocean freight	29·600
Total	45·949

Via Vancouver

Freight, Saskatoon to Vancouver	14·400
Elevation	1·875
Inspection and weighing	·200
Registration	·004
Wharfage	·180
Ocean freight	43·000
Total	59·659

Via lake and rail ex bay ports to f.o.b. St. Lawrence ports

	Cents per bushel
Rail freight, Saskatoon to Fort William	13·200
Lakehead fobbing	2·109
Lake freight	4·500
Lake freight, brokerage	·125
Insurance, lake marine, outturn, lake war strike and riot	·279
Rail freight	10·002
Rail shrinkage	·263
Wharfage	·180
Superintendence, St. Lawrence	·040
Forwarding brokerage	·125
Bank charges	·138
	30·961
Ocean freight	27·076
Total	58·037

Canadian Wheat Board Act

Via all-water to transfer points to f.o.b. St. Lawrence ports

Rail freight, Saskatoon to Fort William ..	13·200
Lakehead fobbing	2·109
Lake freight	13·000
Lake freight brokerage.....	·250
Insurance, lake marine ..... lake outturn ..... lake war strike and riot	·554
Wharfage	·180
Superintendence, St. Lawrence	·040
Forwarding brokerage	·125
Bank charges	·137
	25·595
Ocean freight	27·076
Total	56·671

Via lake and rail ex bay ports to Halifax and Saint John

Rail freight, Saskatoon to Fort William ..	13·200
Lakehead fobbing	2·109
Lake freight	4·500
Lake freight brokerage	·125
Insurance, lake marine ..... lake outturn ..... lake war strike and riot	·279
Rail freight	10·500
Rail shrinkage	·263
Elevation, seaboard	1·325
Superintendence, Canadian	·040
Forwarding brokerage	·125
Bank charges	·139
	32·605
Ocean freight (average)	27·000
Total	59·605

I want to make one other point. Last year the minister stated that approximately forty million bushels of wheat were grown in the area adjacent to the port of Churchill. I disagreed with him, but now I find that he was more nearly correct than I was. Some forty million bushels of wheat, or a little more, were grown in the freight rate area favourable to Churchill; but I would point out that this favourable freight rate area is in the shape of a fan, spreading out from Hudson Bay junction or The Pas. On the outskirts of that area there is a large area where the difference would be only one-half cent or one cent per hundred, so in that area it would make very little difference to the growers which way their wheat went. My argument is that the wheat grown in the area where the freight rate to Churchill would be a real benefit amounts to only twenty-five million bushels or less. This is the area which would be principally affected. The other fringe area, if I might call it that, would not be nearly so concerned, because the difference in cost to the growers would be very little, whichever way their wheat went.

Last year the wheat board had to get wheat to Churchill in a hurry. They were not able to get all they needed in the favourable freight rate area adjacent to that port, because much of the wheat had gone to Port Arthur and Fort William. The result was that they had to haul wheat, I am told, from as far away as Maple Creek in Saskatchewan to Churchill in order to load the boats coming there in the early part of the season. So I believe that with a little planning the port of Churchill could be used to a far greater extent than at the present time. There is no need to increase the facilities; at present Churchill has facilities to handle twenty to twenty-five million bushels of wheat, if they were used for the full season of eight weeks during which the port is open. If that time were extended by another two weeks in the early part of the season and another two weeks in the latter part, certainly from twenty to twenty-five million bushels of wheat could be shipped through that port.

In my estimation there is only one reason why it is not shipped, and that is simply the fact that the wheat board and the other agencies which handle wheat have not become accustomed to using that port. The shipping companies have never been in the habit of sending their boats into Churchill, but have always used Montreal, Saint John, or Vancouver. Until the wheat board or the Canadian government encourage shipment through Churchill, that condition is likely to remain. The shipment of grain through that port is not likely to grow. It is for that reason I have moved this amendment to the act. I feel that, if Churchill were named as a basing point, the wheat board then would have a greater incentive to find sales for wheat through Churchill. We would then get a greater use of that port, and I am sure that when the port was first built it was intended to give to that part of western Canada adjacent to it another outlet to the sea. There is no use having it there if we are not going to make use of it. I am urging the government to accept this amendment as the first step towards making greater use of the port of Churchill.

Mr. G. D. Weaver (Churchill): Mr. Speaker, I have enjoyed listening to the hon. member for Melfort (Mr. Wright), and he has said some true things about Churchill. If at the end of his remarks about the Churchill route he had said that in the future this will be for the benefit of western Canada, and had withdrawn his bill, I would have been entirely in agreement with him.

As the hon. member pointed out, there are forty million bushels of wheat involved. If we assume that this bill were adopted, it would mean that those farmers could haul their forty million bushels of grain to the elevator and receive the price at Churchill, in spite of the fact that Churchill could not take that

wheat. The elevators would not hold it; not even the Saskatoon elevator would hold all of it. The wheat would have to be pulled around and shipped through Fort William and Vancouver, as it has been in the past.

Then the hon. member spoke of the dividing line. I had some experience with that in Alberta at one time when I had some of my wheat there. The breaking point between Fort William and Vancouver at that time was somewhere between Claresholm and Carmangay, Alberta. The farmers hauled their wheat a considerable distance to get the Vancouver price, because it was more than the Fort William price. If this bill were passed, the same thing would occur.

Mr. Wright: Today wheat is not delivered to any point; you have to name your delivery point.

Mr. Weaver: Supposing that the member for Melfort's suggestions were adopted, and he amended the bill to take effect only during the shipping season. At that time there would be too much wheat in the elevators in this particular area and the farmers would tend to hold wheat back to try to get the extra price. If that happened in a year such as this when the carry-over is not great, it would react as a detriment to the money the western farmers as a whole would receive because the wheat would not be available to get the going world price. Wheat would not be available for shipment at this time of the year, so you would have to wait for the shipping season to open in mid-August.

This advantage for which the member for Melfort asks is already available, according to a statement made by the Minister of Trade and Commerce (Mr. Howe) on March 24. The wheat board will get the advantage of that short route, but that advantage will not go to the specific farmer in that area; it will be spread amongst all the western farmers. It works out quite well now under the wheat board. They can use that twelve-cent advantage they have over the Churchill route. This may seem a rather long statement, but if it is carefully examined you will see the truth of it. At the present time there are approximately five and a half million bushels of wheat going over that route, and I hope that volume will rapidly expand. Today the Churchill route is paying, but it does not appear in black in the accounting ledgers. The member for Melfort mentioned the twelve-cent per bushel advantage there is in shipping over that route. Someone is getting the advantage of that short route. It may be the insurance companies, the shipping companies or the buyer, but it does go to somebody. Under the arrangement that will be put into effect this year, they will be able to cut into the twelve cents gradually so that shipping companies will not stop coming to that port. In that way shipping companies will get used to using that route. Time is an important factor in these cases. Then, the western farmers will be receiving the full advantage of that route. The member for Melfort has introduced this bill tonight, but it has not a chance of being passed.

Some hon. Members: Why?

Mr. Weaver: Well, because—

Mr. Argue: Too many Liberals.

Mr. Ferrie: Too many foolish heads brought it.

Mr. Weaver: I should tell my hon. friends that that is probably the reason. The Liberals are a little bit smarter when it comes to figuring than the gentleman who is interrupting. The only purpose served by bringing in this bill at this time is to confuse the issue in the mind of the western farmer, because we cannot go to each one and explain all these things. The hon. member is doing the route a disservice.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, this bill is practically the same as a bill that was debated in this house last year. On that occasion I had to oppose the amendment, and I find myself in the same position tonight. I am sorry that is the case, because I have a sentimental interest in Churchill. The building of that port helped to provide shoes for the Howe children for a period of time. I have always had the success of the Hudson bay route very much at heart.

The experts who advise me, however, tell me that this amendment is impractical. It is not an amendment that affects the government purse under the present system of marketing. If the route causes the over-all cost of marketing grain to be more expensive, then that expense is charged against the growers of western Canada, and the contributions would come not from the government but from the growers in other areas. Nevertheless, it is the duty of the government to make sure that marketing is done fairly, and that each grower receives the price for his wheat that represents an equitable division of the total proceeds of a crop. To pass this amendment would, in the opinion of the government and in the opinion of my advisers, upset that equitable distribution of the crop proceeds.

My hon. friend suggested that members of the wheat board are not doing their best to bring about a large movement of wheat through Churchill. I should like to discuss that for a

moment. That movement is particularly difficult under the conditions that have obtained for the last two or three years when the crop has been sold during the crop period except for a very small carry-over. My hon. friend will appreciate the fact that the port opens at the end of the crop year. It is usually about the end of July before Churchill is open. For part of the Churchill season it is too early to get deliveries from the current crop, so that for such part of the season the movement must depend upon the carry-over from the old crop. For the latter part of the season the movement through Churchill depends upon the early marketings of the new crop. If there were substantial carry-overs such as we often had in pre-war days, there was no great difficulty. We could move grain into the Saskatoon elevator and have it available for the Churchill movement in any quantities that were required. Arrangements are particularly difficult this year because this year marks the ending of the five-year pool. We all know that the price at which wheat is being marketed this year is the highest permissible under the international wheat agreement. There is every reason why all the wheat possible should be marketed within the pool period.

We know that all the farmers of western Canada are anxious to have this pool completed promptly so that final distribution of pool funds can be made to the growers. There is therefore great pressure on the wheat board to get all pooled grain to market. To hold wheat simply for the privilege of moving it out through Churchill, when that means an inability to sell under conditions that maintain in the present crop year, is a difficult decision to make. The fact that the wheat board, in spite of these difficult conditions, has moved a record quantity of wheat from the 1948 crop through Churchill and has made a still better record in the crop year 1949, indicates I think that the wheat board has the interests of the port of Churchill at heart.

At the present time wheat is being moved out of the country and into terminals as rapidly as possible in order to fill overseas commitments. Nevertheless instructions have been issued that any wheat that is tributary to Churchill will not be moved at this time. The board will make an endeavour to hold that wheat for movement through Churchill, but nevertheless if wheat continues to be sold at the present rate and if that wheat is required to fulfil commitments prior to the end of the pool year, that wheat must move by another route in order to get that wheat to market on time. I simply mention the current situation having in mind the remarks of my hon. friend to the effect that the wheat board is not doing its best to make use of the port of Churchill.

To get back to the purpose of the bill, it is to provide that all the growers having a favourable rate to Churchill will get the Churchill rate, whether the wheat is shipped that way or not. My hon. friend uses the argument that certain wheat in the Vancouver area has been shipped out via the lakehead and that certain wheat in the lakehead area has been shipped out via Vancouver. That has happened in the past, owing to war conditions for a time, and since then owing to marketing conditions. Sometimes there is a demand for wheat from Vancouver that cannot be supplied from wheat marketed within the Vancouver territory, and in such circumstances it pays the board to reach over into the lakehead territory; and vice versa. As I say, that has happened. But when such a movement is made, it is made because the wheat board believes it is in the best interests of marketing the crop that the movement should be made.

The point is that both the eastern route or the western route is accessible for all the wheat offering and shipment by either route can be made during twelve months in the year. Any grower of wheat can ship his wheat to Vancouver at any time of the year, and the wheat can be put in store and moved to market from that point. The same is true of the eastern route. There is at Fort William over 80 million bushels of storage capacity that has been built just to make sure that that eastern route can be available to shippers at any week in the year.

Mr. Wright: Fort William and Port Arthur are closed for five or six months of the year.

Mr. Howe: Yes, I know; but the storage capacity there will take all the wheat that the western growers wish to ship into those ports. That is not the case with Churchill. Of the 40 million bushels of wheat that are tributary to the port of Churchill, the best amount we have been able to move through that port to date is about five and a half million bushels. Suppose that amount could be doubled through what to me would be a superhuman effort on the part of the shippers and growers. Even then the possibility would be to move through Churchill only 25 per cent of the wheat that is tributary to the port. The fact of the matter is that because 15 per cent, we will say, of the tributary wheat can physically be moved through Churchill, my hon. friend would ask that the 40 million bushels tributary to that port should receive a premium even though the great part of that wheat has to be transported by another route.

Mr. Wright: But that could be paid for out of the more favourable price that was received for the wheat out of Churchill, and would not be a charge against the rest of the wheat growers.

Mr. Howe: I think that might be difficult to arrange; and whether the people who actually got that wheat through the Churchill elevator would agree that the higher price that sellers may get for that wheat should be distributed among the 40 million bushels that are tributary to the port is another question.

Mr. Wright: It is all handled by the wheat board.

Mr. Howe: Yes, I know. But in any event, the practical test of the capacity of a route, is whether it can take all the wheat offering and whether shipments can be made in any month of the twelve. These conditions do not apply to the port of Churchill as they apply to the port of Fort William-Port Arthur.

My hon. friend has reminded me that I announced in the house that Churchill promises to be a pricing point under the international wheat agreement. I have had a calculation made to see what that might mean as regards price at Churchill and price at Fort William. It might mean as much as nine cents a bushel. My hon. friend mentioned twelve cents, but the actual figure is about nine cents. That, however, is not all payable to the grower. Transportation rates out of Churchill are higher than transportation rates out of Montreal. Probably the nine cents would be divided about equally between the grower and the shipping line that transports the wheat. I am advised that that would probably be the outcome. That still leaves a premium for the wheat that goes out through Churchill.

I have discussed with the board the practicability of distributing that premium to the growers of wheat in that area. The board have not given me a report on the possibility, but if that can be done, I will certainly urge the board to do their best to see that that premium applies against the wheat that moves through Churchill. I think that is as far as the situation would warrant any special treatment for the area tributary to Churchill. To go beyond that would be to create a wholly fictitious situation and to divert to the growers in that area funds which are not earned by the actual physical movement. Therefore I find it necessary to oppose this amendment. I question the wisdom—if my hon. friend really considers the matter I think he will question the wisdom—of amending an act having the importance of the Canadian Wheat Board Act by a private bill passed in a very thin House of Commons. Such a procedure would be hardly giving the consideration to important legislation that its subject matter deserves. I would suggest to my hon. friend that after this debate is finished he withdraw the bill. He has again called attention to the situation at Churchill. I can assure him, if he wishes to do as I suggest, that the Canadian wheat board will consider the situation with a view to making sure that further adequate compensation goes to the growers who ship wheat through that port.

Mr. Speaker: Order. If the hon. member for Melfort speaks now he will close the debate.

Mr. Wright: Mr. Speaker, I should like to say one word first with respect to some of the comments of the hon. member for Churchill (Mr. Weaver). I find it very hard to follow his arguments. He said that he agreed with the bill if I would withdraw it. I do not see much sense in agreeing with something if you are going to ask someone to withdraw it. He also made certain remarks with respect to the crop period, and said that the payments would only be made on freight during the crop period at Churchill, which is entirely wrong.

As far as the bill is concerned, I agree with the minister in some of his arguments, especially with respect to the price under the present British agreement, and getting enough wheat out there at the best price possible during the coming year. However, I point out that I do not think his argument is altogether sound there because there is a 20 million bushel carry-over which could be delivered in the next crop year.

Mr. Howe: No, twelve and a half million bushels.

Mr. Wright: Twelve and a half million bushels, which were used this year by Britain for the purchasing of pork and other Canadian products. Therefore any wheat that would be moved this year from Churchill could be moved at the old price. That is hardly a sound argument against the use of the port this year.

I am glad the minister has indicated that the board is considering the matter of trying to find some way of bringing back to the area adjacent to the port the extra money that is obtained for wheat shipped through Churchill. When I was speaking I suggested that if the minister could indicate to me any other way than the way I have suggested in this bill I would certainly withdraw my bill. The minister has not indicated any other

way. He has indicated that the board is studying the question, and if it could find some other way of doing it, the minister would be prepared to accept its recommendations. On the strength of that, I am going to withdraw my bill and not ask for a vote on it at this time; but I can assure the minister that if the board is not making a study of this matter and if it does not forward some recommendations to give to wheat producers in the area adjacent to Churchill the benefit of the better price and lower freights I will again introduce the bill at another session and press it to a vote.

Mr. Speaker: Has the hon. member leave to withdraw the bill?

Some hon. Members: Agreed.

Bill withdrawn.

CRIMINAL CODE

AMENDMENT TO PROVIDE FOR ABOLITION OF CAPITAL PUNISHMENT

The house resumed from Tuesday, April 18, consideration of the motion of Mr. Thatcher for the second reading of Bill No. 2, to amend the Criminal Code (capital punishment.)

Mr. Knowles: Question.

Mr. Howe: Stand.

Mr. Knowles: Mr. Speaker, I point out that this is not an order that calls for an hon. member to be here to move it. It is an adjourned debate, and if anybody wishes to continue the debate he has the right to do so.

Mr. Fournier (Hull): The only reason, and the best reason, I can give is that the Solicitor General (Mr. Lapointe) who was to speak on this—and it comes under his jurisdiction—is away. He would like to make a speech on it; it is all prepared. May I move the adjournment of the debate.

Motion agreed to and debate adjourned.

INDUSTRIAL RELATIONS

AMENDMENT OF CHAPTER 54, STATUTES OF 1947-48—VOLUNTARY REVOCABLE CHECK-OFF OF UNION DUES

The house resumed, from Friday, April 21, consideration of the motion of Mr. Knowles for the second reading of Bill No. 3, to amend the Industrial Relations and Disputes Investigation Act (voluntary revocable check-off).

Mr. Cote (Verdun-La Salle): Stand.

Mr. Knowles: Mr. Speaker—

Mr. Mitchell: Are you going to close the debate?

[Mr. Wright.]

Mr. Knowles: That is what I would like to do.

Hon. Humphrey Mitchell (Minister of Labour): Mr. Speaker, I am sure my hon. friend will not object to my saying a few words on this bill. Notwithstanding what he said to my hon. friend from one of the western ridings, I think I am still a Liberal in the true sense of the word. I notice that when this bill was up for discussion last time the hon. member was anxious to get a vote on it. I can quite understand that. I think he will agree with me that it is a fair thing to say that probably he does more talking than any other man in this House of Commons. We simple souls should be given the opportunity occasionally to express a word or two on legislation of this kind.

I am frank to admit, Mr. Speaker, that the question of negotiating agreements by law on the floor of this house is a matter of opinion. I think I know something about the history of labour legislation in this country. I have a vivid recollection of the early days of the Industrial Disputes Investigation Act, which was introduced by the Liberal party of that day, and fashioned by the previous prime minister. Labour organizations generally opposed labour legislation in the form of the Industrial Disputes Investigation Act.

Questions of this kind, of course, have been discussed by the British trade union congress and by the leaders of the British labour movement. That labour movement, I think it is fair to say, is so far as the commonwealth is concerned the cradle of free trade unions. Up to this date they have never adopted this form of legislation, which is found on the North American continent where legislative bodies, in their wisdom or otherwise, have set in motion this kind of legislation for the settlement of disputes between organizations of workers and employers.

I have always felt that perhaps we are the pioneers in this kind of legislation. Only recently I read in the press statements by some of the younger leaders in labour organizations who expressed the opinion that boards of conciliation should be abolished. I believe that the form of legislation we have in Canada has done more to foster sound trade union practices than any other legislation of its kind anywhere. I am referring now of course to legislation. I believe the strength in labour legislation is to permit the people of a province or of a nation to become informed as to the facts in dispute. The inborn common sense of the Canadian people places them in the position where it does not take them long in any labour dispute to find out who is right

and who is wrong, notwithstanding the occasional extreme opinions expressed by either side to the dispute.

If one will look over the present records of democratic countries I think he will find that the time lost last year in Canada through labour disputes was lower than that of any other country. I am speaking of course about democratic countries, and I am not including those sections which are predominantly agricultural.

I appreciate the fact, of course, that in Saskatchewan they claim to have advanced labour legislation. But there is no industry there, and their claim is pure eyewash—that is all, just pure eyewash. We are dealing with a practical thing. I believe it is fair to say that under the federal labour code the railway brotherhoods and other railway organizations, as well as other organizations coming within our jurisdiction, have functioned fairly well. And they have done so without the assistance—and I say this in a kindly way—of any governmental organization. Because it must be kept in mind that we may not always have a government like this one.

Mr. Knowles: Here's hoping.

Mr. Mitchell: Well, my hon. friend says, "Here's hoping". I hope to goodness we never get in this country a government ready to push everybody around, whether it be employers or employees. I hope we never live to see the day in Canada where we would have a governmnt which would bring everyone down to the lowest level, rather than bring them up to the highest. It is only fair to say that those of us who live on the North American continent, north of Mexico, have proven conclusively that we have the highest standard of living of any nation on earth—and that did not fall as the gentle rain from heaven upon the place beneath. It was brought about by the ingenuity, the courage and the resourcefulness of our people.

Mr. Ross (Souris): What about the United States?

Mr. Mitchell: I am talking about the North American continent. The philosophy in the United States is the same as it is here, when it comes to this subject.

Mr. Knowles: Do you take credit for prosperity in the United States, too?

Mr. Mitchell: Like other hon. members, I have been to Europe recently, and I do not think I would like to exchange the living conditions of any country I saw in Europe for those on the North American continent.

These are facts. We have gone through this middle way. And we will remember another way which has been taken by another country, and some other way in another country. I remember the day when I was sentimentally inclined toward the Russian experiment—that is, until I went to Russia. Then I changed my mind—and I had courage enough to say so, or the good sense to say so, if I may put it that way. But other people who went there came back to this country and did not have that good sense to give the leadership to the working people of this nation to which they are entitled.

Mr. MacInnis: Nothing like giving yourself a character.

Mr. Mitchell: What is that?

Mr. MacInnis: I said there is nothing like giving yourself a character.

Mr. Mitchell: I am patting us all on the back. The hon. member for Vancouver East (Mr. MacInnis) is a very old friend of mine, one I have known many years and whose opinion I respect. But let me say this to him, that while he is a Marxian socialist and proud of it, and while I will give him credit for it, he must know that when Karl was kicked out of every country in Europe he settled down in Great Britain where it was possible for him to write "Das Kapital", which very few people have read—they usually read the first volume, but when they get beyond that it gets too tough for them, and they do not read the last two.

The point I am trying to impress upon my hon. friend is that while he holds an honest difference of opinion—and I am frank to admit that that is so—I believe that this is a matter for negotiation between employers and employees. I believe if we take the long view—

Some hon. Members: Nine o'clock.

Mr. Mitchell: Just a moment. If we take the long view, then it must be admitted that if we let employers do those things the trade unions should do for themselves we develop what I call lazy trade unions. I remember the day when we were fined if we did not attend trade union meetings. Today they do not go to the union hall to pay dues; the employer does that for them. And, as surely as the sun will rise tomorrow morning, in my judgment, for what it is worth—and I know my hon. friend is laughing.

Mr. Knowles: I am sorry; I was laughing about the minister's reference to the weather.

Mr. Mitchell: I thought he was looking at himself in a glass.

Some hon. Members: Nine o'clock.

Mr. Knowles: Nine o'clock.

Mr. Mitchell: One thing more: there is an old Russian saying: When you know someone is stupid, for goodness' sake take a look in the glass.

Mr. Knowles: Question.

Mr. Speaker: It being nine o'clock, the house will resume the business under consideration before recess.

WAYS AND MEANS

The house resumed consideration of the motion of Mr. Abbott for committee of ways and means, and the amendment thereto of Mr. Drew.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I should like to make a few observations, very brief, on the debate which took place this afternoon. At that time the leader of the opposition (Mr. Drew) moved an amendment that consideration be given to the appointment of a royal commission for the purpose of—and I condense the effect of it—assisting in the improvement of government. The amendment is worded in terms which I suggest should not give offence to the most delicate temperament. It was put forward in a most cogent manner. The leader of the opposition (Mr. Drew) referred to a similar commission, the Hoover commission, which had been appointed in the United States. He gave a good deal of evidence as to the useful work that commission had done. He referred to the fact that in the United States they had been able to command the gratuitous services of a great many citizens of standing and ability who were prepared to spend time—I presume many months—in trying to study and make observations as to how the business of government could be improved.

There are perhaps two reasons which could have been alleged as reasons for refusing to accept this amendment. The first might be that things in Canada were so good that there is no need to try to improve them at all. Anyone who heard the budget speech of the Minister of Finance (Mr. Abbott), and is *compos mentis*, I am sure will not give that as the reason. I am sure the minister would not give it as the reason. He gave us a grave statement of our position, and I do not think "grave" is too strong a word to use. I shall not take up the time of the house in dwelling on what he said, as I think we all remember the salient features.

He told us that our expenditures had reached the colossal sum of $2,400 million and could not be reduced. Secondly, he told us that we had a surplus which really is no surplus, which really might disappear in the twinkling of an eye. Thirdly, he reminded us that we were still riding the crest of a five-year boom, or at any rate had not come down off it. Therefore I think the first reason for not accepting the amendment of the leader of the opposition can be dismissed. I do not think anyone will suggest seriously that that reason should be accepted.

The second reason that might have been given is that nothing could be done, that no outside body could help. I think that reason is out too. It is out, first of all, on the ground of common sense. No sensible man, least of all a man like the Minister of Finance, who I think is a modest man—politics sometimes places people in the position where they have to assume an omniscience which I am sure they do not always feel—will take the position that things are so good that they cannot be improved. At any rate it is not competent for the government to take that position because in the case of the film board they have done the very thing we are proposing. This afternoon the minister sought to distinguish between that case and what we are suggesting, but I do not think he made a very sound job of it. In fact, I think he made a very poor job. We may remind ourselves that this is no new thing. As far back as 1918 a business organization was brought in to help sort out some of the difficulties under the Civil Service Act. Some three years ago we had an eminent business organization come in. Indeed I think it is only common sense that we should be able to get help from outside.

What in fact did the minister say by way of reply? His reply disappointed me a good deal. There was an item carried in the *Gazette* just after he made his broadcast a couple of weeks ago which depicted the minister as being in quite a reasonable mood. But I am afraid that he has since fallen in with evil companions. The Prime Minister (Mr. St. Laurent) told us this afternoon that the minister had been consorting with the cabinet and it was their view that he expressed this afternoon.

It seems to me that instead of dealing with this matter, as I think it should be dealt with, as a matter of public interest, he chose to deal with it as being entirely a matter of party. He suggested that we were not justified in setting up an outside body. He said that that was the function of the opposition. Then he went on to say that we should get down to brass tacks in the public accounts committee. Considering that that committee began to meet only yesterday, I think he was a little precipitate. Then he said, "We have the right to expect parliament to do the job that the public sends the members here to do."

Let me say to the minister, as the Minister of Labour (Mr. Mitchell) would say, in a kindly way, that for him to suggest that that could be done by members of parliament, even if we had all the brains of a Churchill or the patience of an Attlee or whatever other man you think is most patient, is unrealistic. We could not possibly give the continuous, organized attention which would be necessary.

At any rate the suggestion made in the amendment of the leader of the opposition is an entirely different thing. I propose to concentrate on this one point and not get involved in criticism of the government. The minister chose to consider this as being a critical matter, but I do not think it was intended that way. I think it was intended to be a constructive suggestion which could be taken up in a non-partisan manner. I say in passing, referring to what the minister said this afternoon, that certainly the means of giving information could be improved, but even with all the information that could be given, even with all the work that could be done, even with all the capacity that could be put into it, the best opposition in the world could not do what it is suggested in this amendment should be done. That can be done only by people with technical training, by people qualified in various ways, and above all by people who would spend a long time on the job.

Let us consider what would happen in the business world if a situation of this kind arose. Has anyone any doubt what would happen in a business concern if the general manager came to the annual meeting and said, "Our expenses are such and such and we cannot lower them; our earnings are such and such and they show a margin which is really no margin at all. We have been travelling in especially good times, but it will be the greatest of good fortune if they continue." What would happen if it were left at that? The Minister of Finance left us at that point because he gave us no lead, he gave us no suggestion of an alert and vigorous development which will provide extra income that we need.

I come back to the illustration of the company. What would the directors say to a general manager who came to them and faced them with such a forbidding prospect of deficits, and perhaps worse than deficits, unless they had unbelievable good fortune in the years immediately facing them? I suggest that what they would do would be to say, "Let us get the best brains we can to come in and look at this business. They may not be any better minds than our own, but they will be fresh minds and will be able to look at things in a way we have not been able to ourselves."

If that is true of business, how much more true should it be of government, which combines many businesses and which I suppose is more intricate and difficult than any other business in the world. Why should not it be done that way? That is practically all I have to say, but before I take my seat I wish to make it very clear that I would like to think the press would make it clear to the people of this country that this amendment which is to be voted on is not to be regarded as a party or partisan amendment.

It is couched in such terms that any member of the government party could vote for it. I put it this way: Anyone who votes against it is not voting in the interests of the people of Canada which no one can deny would be served by this amendment. He will be voting against it purely because he conceives it to be in the interests of his party to do so. I should like to emphasize that. I hope earnestly that that can be brought across to the people of this country and that they will realize that if this amendment is turned down it is turned down for that reason and no other.

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, theoretically I would be in favour of the amendment of the leader of the opposition (Mr. Drew) if he had not suggested that we should have a royal commission to study some business that is our own. I do not see why the House of Commons should call upon any judge, active or retired, to tell us what we ought to do. I have more confidence in the 261 members of parliament —excluding myself—who are my colleagues than I have in any judge, when it comes to examining our own business and deciding what we should do.

On this point I want to express my appreciation to the leader of the opposition, who understands his duties better than any of his illustrious predecessors. Those gentlemen used to agree to everything. Their business seemed to be to nod to the government every time anything came up. They were yes men, and they practised only shadow-boxing. The leader of the opposition is different. I have listened with great interest to some speeches that have been made by my colleagues of the other side to promote reform. We need reform; I am all for it.

I have had to complain many times about some civil servants, but I did my share to improve conditions. Long before the war, when Mr. Bennett was in power, he instituted a so-called economic council, which I

opposed. I was alone in my opposition. One of the leaders of my party stopped me when I was arguing against that legislation, because it was a fine day and he wanted to play golf. I was really disappointed; I was carrying on my fight alone, as hon. members who were reading the newspapers at that time may remember. That legislation was piloted through by Sir George Perley, who was acting prime minister while Mr. Bennett was receiving his friends at the Chateau and was not well enough to come here. On March 18, 1935, at page 1797 of *Hansard*, Mr. King had this to say about the economic council:

> . . . it was first of all proposed to be in the nature of an advisory body which would be able to assist the Prime Minister in the discharge of his onerous duties, and that it would come under the direction of the Prime Minister himself. There seemed to be the other purpose, which is that of research—a body that would be concerned primarily with research into social and economic questions—and as such would be made up of or avail itself of the services of members of the public service whose efforts and work would be supplemented by experts from outside.
>
> Both purposes I think are not only worthy but necessary ones at the present time.

The idea was to take deputy ministers from every department and form an underground government, a kind of subgovernment that would advise the real government about everything. I waited patiently, and finally in 1936 I introduced a very short bill, 1 Edward VIII, chapter 5, which provided:

> Chapter nineteen of the statutes of 1935, an act to establish an economic council, is hereby repealed.

I glory in the fact that at that time I had the support of Mr. King. Before an attack there must be a bombardment; and the bill was passed on a Wednesday, after a stormy caucus in the morning. I spoke to the cabinet about the urgency of abolishing the economic council. I do not intend to read *Hansard*, though I have brought my personal files; and on the front page of the Ottawa *Journal* of February 28, 1936, at the beginning of that session, I find this:

> Bill to Abolish Economic Council Passes in House
>
> Pouliot measure is approved after Prime Minister says cabinet council satisfies him.

I remember that I was opposed by the leader of the C.C.F., who could not understand that a private member could bring in legislation to abolish something that was sacred, a conglomeration of intelligentsia. I was pretty bitter in my reply, though I had high regard for Mr. Woodsworth. He was a great man; but I wanted to pass my bill. And the *Journal* went on to say:

> The economic council was superfluous, said Prime Minister Mackenzie King when the repealing bill was in committee.
>
> [Mr. Pouliot.]

I succeeded in changing his mind about the bureaucrats. It did not last long, but I succeeded that time.

> The council was supposed to advise the Prime Minister, but as far as he was concerned he was quite satisfied with the cabinet as a council.
>
> Mr. King's comment followed a demand from J. S Woodsworth, C.C.F. leader, for a statement from the government. He said it was unusual for a private member's bill on an important matter of policy to go through without a word from the government. Mr. Woodsworth said he believed an economic council could serve a useful purpose in Canada. There was no division.

The bill passed like that, in two or three minutes. It has been one of the glories of my parliamentary life that I have tried to curb bureaucracy; but that was only what we call a moral victory, because not long afterwards the war came. So I read in the Toronto *Globe and Mail* of Friday, February 5, 1943, the heading "Wide functions given to economic committee", with a picture of W. C. Clark, the deputy minister of finance. So the government went back to Bennett's practice of having an economic committee. It was not an economic council, because there was a law repealing the economic council. It came back under another name, an economic committee. Now we have scores and hundreds of these economic committees. The trouble with them is that when a man is appointed to an important position in the public service he does not do the work he is assigned to do. He tries to get together with others to do something he knows nothing about, and to travel and see the world. That is the idea. If we have people from five different departments to decide five different things, they may be experts in their own departments but none of the five is an expert in any other department. But when they are together, they are five instead of one. They have five times more learning. We have to bow to them and say, "Oh, he is an expert; he is a civil servant". When it comes to a member of parliament he is nothing; he is a nonentity. It is extraordinary.

The leader of the opposition's motion reminds me of the motion of the member for Winnipeg North Centre (Mr. Knowles), recommending that a judge or a royal commission should study our business. He has more confidence in those people than he has in members of parliament. He does not seem to realize that when he makes such a suggestion he is discrediting himself.

Mr. Knowles: The hon. member will make it clear that my motion was in reference to redistribution. I do not mind the member disagreeing with me, but let it be clear what he is speaking about.

Mr. Pouliot: In principle it was the same suggestion as was made here today by the leader of the opposition.

Mr. Knowles: That is where we differ.

Mr. Pouliot: The principle was the same, but the occasion was different.

Mr. Knowles: This is our business, but redistribution should not be in our hands.

Mr. Pouliot: That is my hon. friend's opinion. In these days when we hear so much about human rights and fundamental freedoms, I leave him with his opinion. I respect his opinion, and let him do the same for me. Nevertheless his principle was the same as that of the leader of the opposition. They are two birds of the same feather.

Mr. Knowles: Oh, no.

Mr. Pouliot: Oh, yes; I regret it.

Mr. Coldwell: Not two feathers on the same bird.

Mr. Pouliot: The hon. gentleman does not realize it, but I put them together in the same bag. I hope they will be comfortable.

Something occurred in 1937 that I should like to mention. After Mr. Bennett's defeat in the election, I spoke to Mr. Finlayson, who is now one of the officials of the Conservative party, and suggested that Mr. Bennett should take a vacation. I said to him, "He is a man of means, why does he not travel around the world? Why does he not see this planet and get away from Ottawa?" He had had a strenuous election, and I thought it would be good for him to go down to the Antipodes. Mr. Finlayson asked me whether he should tell him, and I said, "Sure, tell him; it is sincere advice from someone who has a certain degree of admiration for him."

Mr. Bennett thought it was not good for a man to be alone, and he wanted a companion to travel with him around the world. He called for Brooks from the Bank of Canada. He was well attired, well groomed, and I think he is still there. Whenever someone looks at him, they think he is a duke. They think he is the governor of the Bank of Canada. He is a fine man. You will see, sir, that there is a relationship between what I am saying and the amendment before you. So Bennett left with Brooks, and Brooks was carrying the satchel. People were surprised. They said, "How is it that Bennett does not carry a satchel too?" They seemed to be two gentlemen. Brooks went along carrying the satchel, and in the meantime the Bank of Canada had been established. Brooks was there as the doorman. He left his important duties as doorman at the Bank of Canada to travel with a millionaire; it was about the same thing.

When they returned, I was bold enough to ask a question as to whether Brooks had been paid by Bennett or by the Bank of Canada. Oh, that was most improper. In *Hansard* of February 8, 1937, there is a record of a question I asked about this matter, to which Mr. Dunning replied as follows:

> . . . questions as to matters of internal management were not usually answered in the house unless in the judgment of the management they could be answered without affecting the day to day management of the business.
>
> . . . The government is giving consideration to the advisability of referring the annual report of the Bank of Canada to, say, the committee on banking and commerce, in order that members of the house may have the same general opportunity with respect to the affairs of the Bank of Canada as they have today with respect to the affairs of the Canadian National Railways.

I was told that I should never ask questions like that. Mr. King rose to the occasion, and on this same page of *Hansard* we find the following:

> Mr. Mackenzie King: The right hon. gentleman has referred to myself, when leader of the opposition, having taken with me a messenger, who was attached to the office of the leader of the opposition, when I was absent from Ottawa on one or two occasions. My right hon. friend did not say, though I imagine the omission was an inadvertent one on his part, that I personally paid all the travelling and other expenses of the messenger.
>
> Mr. Bennett: There was no question about that, but not his salary.
>
> Mr. Mackenzie King: I paid the expenses of that messenger when I went away, and the messenger himself is a permanent official. I may say to my right hon. friend that he did not pay the salary of his messenger when he was absent, but the salary was paid just the same.
>
> Mr. Bennett: Quite so, when he was here.
>
> Mr. Pouliot: I wonder if I could not have gone in his stead.

Mr. Macdonnell (Greenwood): Will the hon. member permit a question?

Mr. Pouliot: Yes, sir.

Mr. Macdonnell (Greenwood): I am enjoying his speech very much, but will the hon. member tell me what it is about?

Mr. Pouliot: I will tell the hon. member right now. I wanted to excite his curiosity. It is that Mr. Dunning told me it was none of my business to know anything about the amount paid to Brooks during his trip; that I was not entitled to any information about the Bank of Canada. I went further than that, and I asked him what the personnel of the Bank of Canada was in each of its branches. He said, "Improper, you should not know that." I should not know anything. I sincerely believe we should know more about these matters.

If a constituent of any member of parliament asks what Graham Towers has been paid from the start; what has been paid to Mr. Mansur from the start; what expenses and salary have been paid to Mr. Clark, the deputy minister of finance; what has been paid to this one or that one, he should know. We have to vote the money. I have a chart indicating the personnel of the Central Mortgage and Housing Corporation, but there is no mention of salary on that chart. I want the salary of everyone, because it is only when we know the amounts that are paid that we can protect the public against extravagance. Is my friend the member for Greenwood (Mr. Macdonnell) satisfied? I will go further than that and tell the hon. gentleman that during the war, when all minds were blurred by the war, here in this house I demanded reform of the public accounts. At the time the public accounts were ridiculous. Most of the items were not in the public accounts. I think items under $25,000 were not in the public accounts. I see present here some gentlemen who sat with me during the war. They will recall my protest to the then minister of finance. I wanted reform of the public accounts. I wanted every cent of expenditure entered in the public accounts. A measure of reform was brought about. One day one of the members for Wellington asked Mr. Ilsley if he was going to do something about that, and if he had done it upon his request. Mr. Ilsley said, "I have done so at the request of the hon. member for Temiscouata." I do not come here with large volumes of *Hansard* and quote excerpts from it. Hon. members who were here during the war, and the Minister of Finance (Mr. Abbott) who was assistant to the then minister of finance, must remember that I demanded reform; and I am sure that I have the support of the present Minister of Finance who was assistant to the then minister whom I have quoted.

I carried on the fight to protect the Canadian people, because when there is mystery, when there is darkness, anything can be done. Crimes are not committed in the daylight; most of the time they are committed at night. I therefore wanted some light on the public accounts. I admit that the accounts are much better kept now than they were then, with regard to the officials under the jurisdiction of the minister. But when it comes to those who belong to crown companies, it is a different story. All those who belong to crown companies, to any one of them, should bow to parliament. They should be curbed. They should be told to respect parliament. That was my intention and it was the intention of the civil service committee in 1938 and 1939. We wanted to know what was the usefulness to the state of each civil servant. The matter was considered not from the point of view of salary, as had always been done before and as it is the intention to do in the future. The usefulness of each man was to be considered. That was our point of view. After some difficulty we succeeded in presenting a unanimous report. Unfortunately, it was of no use because the prime minister of the time did not realize that the civil service committee was offering him, on a silver platter, the full control of the civil service of Ottawa. It was offered twice, the first time by me on behalf of the committee, and the second time by the present Minister of Public Works (Mr. Fournier), also on behalf of the committee; and both times it was left on the shelf to gather dust. We wanted reform. I want reform.

I am not going to take the time of the house to read what I quoted in the house in *Hansard* of May 26, 1939, on the Central Mortgage bank bill; but it is there. I mentioned some interesting historical Canadian papers, especially the 92 resolutions about the management and control of public affairs.

I disagree wholeheartedly with my friends of the C.C.F. group when they speak of control. They speak of control outside parliament. All control should be vested in parliament and parliament has not the right to delegate it to anyone. When any hon. member is elected, he is elected in the first place to look after the interests of the Canadian people. He is elected to look after not only the people of his constituency but the Canadian people at large, by enacting legislation that may affect every man, woman and child in this country.

I may add that we also have an important duty and that is to check the expenditure of the public money voted in the house. Both duties are most important. In fact, they are the main duties of members of parliament. It is our duty to pass legislation and to check the expenditure of money. I do not see what business a judge has in it.

I will bring to your attention, Mr. Speaker, and to that of hon. members of the house, an important paper passed at Westminster with regard to the control of expenditure. It was passed at the request of the Lords Commissioners of His Majesty's treasury. There is a council of financial officers, and it is the interim report on the position of accounting officers. It is dated March 12, 1920. At the time I distributed a copy of this paper to all my colleagues in the house, and this is the last copy I have. It reads as follows:

Council of financial officers

Interim report on the position of accounting officers

At their first meeting the council proceeded to discuss the general position of accounting officers and the possibility of effecting reform in the present financial procedure of departments. On the 10th November, 1919, the Chancellor of the Exchequer requested the council to consider, together with other proposals for strengthening the hands of accounting officers, the suggestion contained in paragraph 9 of the first report of the select committee on national expenditure (1919), that the accounting officer of each spending department should be a treasury official appointed by and solely responsible to the treasury.

9. The proposal that the accounting officer shall be a treasury official does not commend itself to us.

(i.) In the first place, it offends against the cardinal principle of ministerial responsibility. A minister could not be properly responsible to parliament for the conduct of his department if a large part of the responsibility falls actually on the servant of another department to whom he is unable to give orders.

(ii.) In the second place, the tendency to evade financial control alluded to above should, in our view, become more marked if the officer to be evaded were an emissary of another department.

At the present the financial officer is the servant of the same minister as the administrative officers, and is entitled to the same access to official papers and confidential information as they are; these are advantages of great value in financial control which might be lost if he became an officer of the treasury.

(iii.) Thirdly, the treasury officer could not work single-handed. He would require staff. This would presumably have to be treasury staff, too. There would thus be an elaborate interviewing of the staff of two departments under one roof, under conditions which would almost inevitably give rise to friction and discontent.

(iv.) The position obtaining in the ministry of transport does not afford a precedent for the proposal that the accounting officer should be a treasury official. The accounting officer of the ministry of transport is responsible to the minister, but works in close association with a treasury officer specially attached to the ministry in view of peculiar circumstances arising out of the ministry of transport act.

Those principles were enunciated with regard to one department, but they apply to all, and this is true British doctrine.

This afternoon I listened with a great deal of interest to the splendid speech made by the hon. member for Lake Centre (Mr. Diefenbaker). He mentioned to us the example of the United States. We may learn a lot from any country, but I still stand on the British parliamentary practice, on the British parliamentary tradition, which is the best in the world. I do not mean some silly rulings of Speakers of past centuries. Naturally an understanding of British traditions should be in accordance with our time; but there in that treasury of British parliamentary traditions we can find principles that may serve for the guidance of all parliaments.

I cannot speak too highly of those who have been acting in accordance with that tradition, and my hope in this parliament is that it should be considered like the beam the aeroplanes have to follow on their route; follow the beam of the British parliamentary tradition and no mistake will be made.

Coming to the amendment of the leader of the opposition (Mr. Drew), I will tell him once more that in some respects I agree with him, because I suffer a great deal from having to telephone to this gentleman, to telephone to that other gentleman, to be sent back to a third gentleman, and by that gentleman to be sent to a fourth lady. There is no need for it; and there is no answer. My files pile up. If I am not always in the house listening to speeches and making an occasional one, it is just because my time is taken up with that correspondence. I have not been elected to be a scribe. I have been elected to read legislation and to try my best to understand it; to discuss it with my colleagues; and to attend to committees. I have never been a public stenographer. At the present time I have to spend my time on the telephone, writing letters and most of the time getting no satisfactory answers. Things are delayed from one day to the other. We have to look after that. It is not sensible at all. I say nothing of myself, because I am full of modesty, when I telephone to those great of the world. It is a pretty tough life.

Mr. Knowles: It is tough to be modest.

Mr. Pouliot: Let me read the amendment, sir, and afterward I shall read a clipping from the Ottawa *Journal*. It reads:

That all the words after "that" to the end of the question be deleted and the following substituted therefor:

"Consideration should be given to the matter of appointing a royal commission for the purpose of examining and making recommendations for:

If that commission is appointed it will be just as well for us to resign as members of parliament, because our usefulness as members of parliament will come to an end. This insults me, in spite of my modesty. The recommendations are as follows:

1. Reducing public expenditure to the lowest point consistent with efficiency.

If there is some useless expenditure no one could have any objection to reducing it to that point. I continue:

2. Eliminating duplication of overlapping services.

This is a good suggestion, but I do not see what a judge would know. We would have to teach the judge what is the business of a member of parliament, and we should imbue him with the experience, pleasant or otherwise, that we have acquired as members of parliament, and make him understand the thing as it really is.

3. Consolidating all public services and departmental activities of a similar nature.

This may lead to centralization. The last recommendation is:

4. Improving the general efficiency of government and assuring to all members of the civil service full recognition of their responsibilities. And without limiting the generality of the foregoing to make such further recommendations as may contribute to the general efficiency of the organization of government.

To discuss a matter of this kind in the House of Commons serves a very good purpose, because it impresses the fact upon the major and minor civil servants that somebody is trying to get some information about them, and it gives them a salutary fear. I regret that sometimes I have to shout and curse over the telephone. If I do that I have results at once. If I use the language of ordinary conversation nothing happens; but if I curse, if I use some improper language, it comes faster. I regret it very much, but we have reached the point where nothing is gained from any civil servant—no, there are some good ones; I must make an exception of some of them—until we suggest a *capitis deminutio*.

I appreciate the fact that the leader of the opposition has moved an amendment. It has been discussed, and it is a good thing. But I am a Liberal and supporter of the present government, and especially of my leader, the Prime Minister (Mr. St. Laurent). I have confidence in him, and I sincerely believe that in the next three or four years he can do a better job in matters of reform than the leader of the opposition can do, although the latter made many useful suggestions. Therefore I will vote against the amendment, although I have been challenged by the hon. member for Greenwood (Mr. Macdonnell). I will vote against it for two reasons. The main reason is that I do not want a judge to be appointed to do what we should do ourselves, and what I have started to do in my humble and minor capacity. It is evident that all the members together could do a better job than I have done alone. Hon. members could do that. The leader of the opposition might be surprised at the sympathy and support that he would get even from Liberals in that connection.

In the first place, I am opposed to a judge looking after our own business; and in the second place, I rely on my leader to carry out all the possible reforms that he believes should be carried out while he himself is in office. The difficulty in reforms is that all temporary employees want to be permanent. The leader of the opposition, who has been premier of his province, must know that better than any one of us. It is most difficult to abolish any position, because then people come along and say that the position is essential, that there has been no better incumbent, that the man is qualified, and so on. I have heard that many times; everybody has heard it. I am reminded of the case of the girl who was in the civil service at the time of the civil service probe twelve years ago. Her first name was Dorothy, and I shall not give her family name. Dorothy had missed her examination nine times. I said to Mr. Nelson, the civil service commissioner, who was a very fine man, "Mr. Nelson, you should fire her." He said, "I will." Two days after that he called me by telephone and said, "Do you know who has protested on behalf of Miss Dorothy?" I said, "No." He said, "Her chief. He found that she was doing essential work in the office." I do not know what her work was, nor do I know her qualifications, because I never met her. But as soon as she was fired her chief protested to the civil service commission and said she was indispensable.

That is one illustration of what I have been saying. I do not wish to be unfair to the leader of the opposition or to anyone else. But this is the time to read to the hon. member for Carleton (Mr. Drew) and other hon. members an editorial which appeared in the Ottawa *Journal*.

The Acting Speaker (Mr. Beaudoin): Order. The hon. member has exhausted his time.

Some hon. Members: Proceed.

The Acting Speaker (Mr. Beaudoin): He may proceed, with unanimous consent.

Mr. Pouliot: Mr. Speaker, this is not a newspaper article referring to debates in the house. It makes reference to a statement made outside the house. And when I remember that the leader of the opposition has spent a good deal of time, two days in succession, reading and re-reading letters—

Mr. Knowles: That was not the point made.

Mr. Pouliot: It was in the press.

Mr. Knowles: But that was not the point made by Mr. Speaker.

The Acting Speaker (Mr. Beaudoin): May I repeat to the hon. member that my reason for interrupting him was to tell him that he had exhausted his time. His forty minutes have expired. I added however that with unanimous consent he might continue. And I understand he has that unanimous consent.

Mr. Pouliot: Thank you very much, and I shall make no comment. I speak by tolerance.

The Ottawa *Journal* of Friday, October 15, 1948, carries an editorial which bears the heading, "Mr. Drew and the Bureaucrats". It states:

What is all this silly talk about Mr. Drew planning, when he takes office, to fire Graham Towers, Donald Gordon, Dr. Clifford Clark, Louis Rasminsky, and Dr. Kenneth Taylor?

Mr. Drew, in the speech which has given rise to such nonsense, said nothing about firing anybody.

Nothing about Dorothy!

What he said, and quite properly, was that if he became prime minister he would make an end of such things as taxes imposed by radio, and that policies would be decided not by a few officials but by the cabinet and parliament. Mr. Drew, saying this, was paraphrasing a plank in his party's platform:

"The Progressive Conservative party reiterates its belief in the supremacy of parliament and is opposed to the increasing use of ministerial proclamation and government by order in council and departmental regulations."

Nothing revolutionary in that. Indeed, we imagine that Messrs. Towers, Gordon and Clark would be among the first to subscribe to it. For it is our belief that these gentlemen, to the extent that they have been running this country, have been the products and victims of a weak cabinet and parliament. They have not been asked to work out policies decided by the cabinet and parliament; they have been asked to tell the cabinet and parliament what policies should be adopted. That happens when parliament and the cabinet are incompetent.

We ourselves think that Messrs. Towers, Gordon and Clark are the sort of officials who would get on famously with Mr. Drew; that they are the sort of able officials he would like to have at his elbow, and he the sort of decisive prime minister they would like to serve.

Incidentally, the Bank of Canada, with its Governor Towers and Deputy Governor Gordon, is not the creature of Mr. King nor of a Liberal government. The Bank of Canada was set up by Mr. Bennett, with Mr. Graham Towers his choice for its first governor.

I wonder if the leader of the opposition could make any one of the reforms he has suggested?

I thank you, sir, and I thank the house for having permitted me to read this fine editorial.

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, it is not my intention to take up much of the time of the house. I can also assure hon. members that I will not take up any time with matters that are not relevant to the subject under discussion. At the conclusion of his speech the hon. member for Greenwood (Mr. Macdonnell) said that anyone that would not support this motion was motivated by interests of party rather than by interests of the country. I do not think that that was quite fair of the hon. member because, although he may not be able to see them, there may be, and in my opinion are, reasons why a member could be opposed to this motion, and still not be a supporter of the government, and not be against the principle of what the leader of the opposition had in mind when he moved the amendment.

As a matter of fact I found myself agreeing with much of what he said in his speech before moving the amendment. However, I find I cannot support the amendment, and I shall give my reasons. The amendment is in four parts, with a short preamble. It states:

Consideration should be given to the matter of appointing a royal commission for the purpose of examining and making recommendations for:

1. Reducing public expenditure to the lowest point consistent with efficiency.

It is my understanding that in appointing a royal commission the terms of reference must be well defined. They must be sharp, and cover some definite subject. This term of reference is extremely broad, that of reducing public expenditure to the lowest point consistent with efficiency. Who is going to decide whether or not expenditures are consistent with efficiency? Is it to be this parliament or the one-man, two-man, or three-man royal commission? That seems to me to be a fatal flaw in the amendment which would prevent any person who considers it free from party considerations supporting it.

We come now to the next two proposals, which read:

Eliminating duplication of overlapping services.

Consolidating all public services and departmental activities of a similar nature.

It seems to me that that is not the function of a royal commission. In my opinion that would be the function of expert business managers. My knowledge of royal commissions is that they usually engage in eliciting facts and on the basis of those facts make recommendations, but they are not recommendations such as would be required in the circumstances set out in the two terms of reference in the amendment. Then we come to the last proposal, which reads:

Improving the general efficiency of government and assuring to all members of the civil service full recognition of their responsibilities.

Can anyone tell me how a royal commission could perform that function or could make recommendations by which those things could be carried out? These are the reasons why in my opinion no one who examines carefully the terms of this amendment can vote for it. I quite agree with the hon. member for Temiscouata (Mr. Pouliot) and some other members who have spoken on this amendment that what is being asked here to be done by a royal commission is something that should be and must be done by parliament itself if hon. members are to take their responsibilities seriously.

That applies just as much to members on the government side as it does to members of the opposition. True it is that the function of an opposition is to watch government administration, to draw attention to weaknesses in it, to draw attention to unnecessary or unwise expenditures; but because of the operations of chance the government majority at the present time is so large that a tremendous responsibility rests, not only upon the ministers but upon the private members on the government side. A minister should be the first to be pleased when an hon. member of his party examines carefully what that government is doing.

The hon. member for Greenwood says that those of us who vote against this amendment will be doing so because we are voting in the interests of our parties. I would put it the other way and say that anyone who votes for this amendment in the terms in which it is stated is forgetting the interests of the country and perhaps the functions of parliament and is thinking in terms of the interests of his party.

For these reasons we shall have to vote against the amendment although, as I have said before, we agree with much of what the leader of the opposition (Mr. Drew) and other members of the official opposition have said when speaking to the amendment.

Mr. L. Philippe Picard (Bellechasse): Mr. Speaker, I listened this afternoon with a great deal of interest to the speech of the leader of the opposition (Mr. Drew). However, I think if we disrobe his declarations of their glamorous vestments we will find that the bare subject is quite lean. His proposal for a royal commission rests on two assumptions. First, that the executive machinery of the government must be geared perfectly to the expanded functions it is called upon to perform. Second, that parliament may need new and better methods of controlling the advisability of voting certain estimates and of scrutinizing the way in which appropriations have been spent.

It may very well be that all is not perfect in all departments of government. It may very well be that the Hoover commission performed a valuable work in the United States. But I doubt if anyone will suggest that the functions of government in Canada have been enlarged in any comparable way in the last ten years with those in the United States. True there has been a considerable change since the days when we operated the government services on $200 million a year, but it still is possible for the government machinery to be surveyed and checked by the means we have at hand without having recourse to outsiders.

The treasury board, the comptroller of the treasury, the civil service commission and the auditor general's office keep a constant eye on the evolution of our services and serve as a salutary check on undue expansion of expenditures and avoidable duplications.

As far as the house is concerned, there is no limitation to its right of inquiry. As the Minister of Finance (Mr. Abbott) stated, hon. members have used that right with ability and should not suddenly turn into humble violets or suffer from an inferiority complex and ask that their powers be turned over to others. Parliamentary machinery exists whereby members of this house may scrutinize the estimates and the way in which appropriations have been spent.

I do not say that there could not be a better use made of this machinery, but I know of no impediment that would prevent hon. members from grilling one or all of the ministers on any item in their estimates which the opposition might suspect was extravagant or unjustified. I know of no impediment in the way of members of the opposition or of any other group or of the government bringing to the attention of the public accounts committee any irregularity or any abuse that they think might exist. I shall deal with the work of that committee further on in my remarks.

The examples given this afternoon by the leader of the opposition to substantiate his charges that inefficiency or duplication of services exists were certainly very poorly chosen. To hinge the urgency for a royal commission on the fact that the Minister of National Defence (Mr. Claxton) had fifty-six persons on his publicity staff and the Minister of National Health and Welfare (Mr. Martin) thirty-eight, and to invoke the alleged photographic war between those departments, hardly substantiates the urgency that exists, according to the leader of the opposition, of summoning a body of experts to decide whether twenty people would not suffice to draft the illustrated information which the two departments feel it advisable to distribute.

I do not intend, nor have I a brief, to speak for the Minister of National Health and Welfare or the Minister of National Defence; but anyone acquainted with the publications of the Department of National Health and Welfare will realize their high standards and their considerable value to the people of Canada. I do not think any sarcastic remarks can take away from the merit of the minister in having given an impetus and vitality to all the services of his department for the benefit of our people and the benefit of the national health. When I consider the

conditions in the world today and the necessarily high cost of military protection, I do not find the publicity estimates of that department extravagant, either. I have no doubt the Minister of National Defence will be able to answer any questions the opposition may have to ask on the matter when his estimates are before the house.

So I say that if the leader of the opposition (Mr. Drew) could not find anything better to which to devote a considerable portion of his time, or if he could not bring before us facts more startling or arguments more striking, there is very little justification for the motion. We sit here for months every year. We are in constant contact with departmental activities. Surely if things were so bad members of the opposition would have discovered that fact and acquainted the house with their discoveries. That there may be room for improvement in departmental administration I would be the last to deny. This is the case with every great enterprise; and when that enterprise has to be run on democratic principles many elements enter into it which may necessitate a constant survey lest the machinery become cumbersome and inefficient. Yet I know of few organizations more open to scrutiny and control than our federal administration. The departmental administrators live in glass houses, and it is not hard for members of this house to peep in.

This afternoon the hon. member for Lake Centre (Mr. Diefenbaker) made certain statements which did not seem to me consistent with the facts. I am sure he never intended to give the house a wrong impression; but he said—and I took note of his exact words—that the public accounts of Canada reported only expenditures of $10,000 or more. I think that is a misleading statement, though as I say I do not believe the hon. member did it on purpose to misrepresent the situation. If you look at the public accounts, at the end of the report of each department there is a list of the amounts that have been paid to certain suppliers. That is almost always the way these lists are headed, "Suppliers receiving $10,000 or more from this department." Look at the public accounts; look at the Department of Agriculture, at page A-61. There you see a list of suppliers receiving $10,000 or more from that department, but that is not all. Immediately under that long list, in small print you see, "Payments to contractors on public works contracts, including payments for rental of equipment, of $5,000 or over are described in detail under the relevant votes and are therefore not included in the following list." In other words each amount that needs governmental approval is listed elsewhere in the report, just as each salary, no matter how small, is listed.

I could say the same about nearly every department. At page F-24 the same information is given with respect to the wheat board, and it is indicated that these lists are exclusive of amounts of $5,000 and over. At page F-25 you find a whole list of wheat board payments totalling $5,000 or more, in respect of their activities. I am sure the house would not want this volume to contain such items as those read this afternoon by the hon. member for Lake Centre from the public accounts of 1890, covering a corkscrew and a few glasses. I do not imagine even the hon. member would want that sort of thing carried forward into the public accounts today; his statement is somewhat misleading taken in its context.

I could take a great deal of the time of this house going into every department; but I assure you, Mr. Speaker, that the situation I have mentioned applies in all departments. There is a list of accounts of $10,000 or more, and in addition those for more than $5,000 are reported under the heading of the vote itself. I thought that statement by the hon. member needed to be corrected, because if it were read by someone who did not know the practice of the house he might be led to believe that we considered any amount under $10,000 too small to be recorded, while actually we go down as low as $5,000. Personally, with the cost of everything a department may need as high as it is, I think $5,000 is too small an amount, and that governmental authority should be required only for projects costing $10,000 or more. However, it is the practice to report everything from $5,000 up, and each small item of salary is also shown in the public accounts.

Now I come to the statement that has been made on many occasions that the public accounts committee could do more to check the way votes approved by the house have been used by the executive branch of the administration. I am all the more interested because I have been chairman of the public accounts committee since 1945. That greater or better use of the committee could be made to scrutinize public expenditures I readily admit; but the machinery exists, and it has brought results and can bring more if the house desires. There is no rule of this house governing the time during which standing committees shall sit. The only provision is in connection with the special committee to draw up the membership of the other committees, and in that connection section (1) of standing order 63 provides:

At the commencement of each session, a special committee, consisting of five members, shall be

appointed, whose duty it shall be to prepare and report, with all convenient speed, lists of members to compose the following committees of the house—

Then follows a list of those standing committees. Standing orders 64 to 67 also deal with committees; but nowhere is there mention of any period during the session when these committees should assemble or should be asked to sit. A committee sits when certain duties have been entrusted to it by the house. The committee on banking, for instance, sits when a bill is referred to it. As for the public accounts committee, it has been the custom to refer to it, some time after the address is voted, the public accounts and the report of the Auditor General. This is not done automatically or on any given date, however. For many years the practice has been to refer the public accounts when a request to that effect has been made in the house. Once the public accounts are referred to the committee there is no special time when it must sit. The tradition has developed that the committee assembles when an hon. member signifies to the chairman-elect his desire that it should do so. In the last twenty-one years the committee has sat six times, of which four were under my chairmanship. This means that during fifteen sessions no member has availed himself of the privilege of asking that the public accounts be referred to the committee.

Mr. Fleming: Will the hon. member permit a question? He said six times, when I think he meant six sessions.

Mr. Picard: I meant six sessions out of twenty-one sessions. I think that was understood by the members.

Of the four sessions during which I have presided over the committee, I must say that the utmost liberty has been given to the members to bring any subject to the attention of the committee. Yet the committee has never been asked by the opposition to examine any one item in particular in the public accounts. We have usually dealt with general considerations, and an over-all review of the Auditor General's report, as well as the work the committee might be called upon to perform. The only exception to this was in 1947, when the house referred specific questions to the committee, namely, the advisability of investigating the claims made by the Japanese evacuees. As a result of our consideration of that subject a commissioner was appointed to advise the government on those claims.

The committee was also asked to review the administration of the custodian of enemy property, and the administration of the building program of the Department of Veterans Affairs. A moment ago I stated the result of our deliberations so far as the Japanese question was concerned, and our investigations into the veterans affairs department resulted in the removal and transfer from office of an officer about whom the committee had expressed dissatisfaction. That was the work accomplished by the committee during one parliamentary session. However, the fact that the opposition has not found cause to ask the committee to look into any item of public accounts does not necessarily mean that all is well. But it certainly means that there are no such unsatisfactory conditions as some members opposite pretend exist, because I have no doubt that any important irregularities would have to come to the ear of members opposite, or at least some suspicion of them would have been brought to their attention. Then they would have been brought by them to the attention of the committee. I would not for one moment think that, such being the case, the fact that they were not brought up reflected upon the ability of opposition members; far from that.

That consideration should be given to the use of the public accounts committee to scrutinize and investigate public expenditures in a more consistent manner, I agree. I do not see any objection to it. The first task of the opposition is to watch the administration, and serve as a check on any irregularity which might occur. It remains the duty of the whole house to scrutinize public expenditure. This year the committee has already had three meetings. It has before it for consideration all the public accounts and the Auditor General's report, yet its deliberations have centred more on that question of redefining its task, or of remodelling its machinery in order to better perform its functions. Some members have remarked to me that the committee was not charged with the study of the whole question of the control of public money; that is true, but the duty of that committee is to consider public accounts, and I assume it is therefore in order for it to consider how best it can perform its task. That other points may be brought in evidence given before the committee, and that they may be discussed in the committee when they are related to the study of public accounts, is unavoidable.

It will rest upon the committee to arrive at conclusions as to how it can best perform its duties this year, and in future years, and to so report to the house within the limits of its reference. Be that as it may, I do not think, Mr. Speaker, that we lack at present the machinery for surveying public expenditures by this house, and I am satisfied that precautionary measures taken by the Auditor General's office, by the treasury board and the comptroller of the treasury, as well as by the

civil service commission, are such that, coupled with the vigilance of this house, they are sufficient for protection against abuse. I think it would be an unwarranted admission of inferiority on the part of parliament to call in the so-called experts, when we have within our own rules the facilities to perform these duties.

Without desiring to be offensive, I must say the attitude of the leader of the opposition appears to be a reversal of the attitude he has adopted on more occasions than one. I still have in my ears the echo of his declaration about the supremacy of parliament. Yet today he comes here asking parliament to proclaim that it cannot perform its tasks, and that it must seek help from outsiders. The people of Canada will have a hard time reconciling the two attitudes.

In conclusion, Mr. Speaker, I think this house is not justified in adopting the motion under consideration. If this house was to approve a proposal of that kind, I think the leader of the opposition and his lieutenants would have had to build their case more strongly, and base their conclusions on safer ground. Parliament has all the machinery it needs to perform its tasks. It has done so over the past fifteen years without the help of the so-called experts from outside, and the country has never been better administered.

Mr. Rodney Adamson (York West): I am interested in the concern of the last speaker over royal commissions, especially when one remembers that this government has not only the Massey commission, but the two other royal commissions which have recently been sitting, including the transportation commission. I think perhaps the objection to this suggestion is in the nature either of a straw man or of wishing not to have the facts of the case fully disclosed to the house. The criticism of the motion, Mr. Speaker, has been based almost entirely on ignorance of the facts.

First of all, a royal commission such as is envisaged by this resolution does not, and cannot, usurp the executive functions or powers of government. With regard to the expenditure of money, the responsibility is not the government's, it is the responsibility of this parliament. Such is the overwhelming feeling of omnipotence in the government benches that they almost invariably forget this fundamental fact of our British democratic system of parliamentary government. The adoption of this motion, Mr. Speaker, does not mean that we are taking away anything, nor is there any suggestion that we intend to take away any of the executive responsibilities of the members of the cabinet; that is far from the purpose of the resolution. The resolution merely does this. It testifies and shows that parliament is supreme. Any suggestion that it does not do that is entirely in error. What the resolution tends to do is merely to show that the expenditure of money voted by parliament for the essential services of the country is efficient and expedient. That is the sum total of the import of the resolution. I suggest, Mr. Speaker, that that is an important thing. With the growth of all democratic governments throughout the world, the machinery to check and to go into expenditures which was evolved in the old days, when the cost of government ran at a figure of about 5 per cent, or certainly less than 10 per cent, of the gross national income of the country, was probably satisfactory. Now, however, with the gross expenditure of government in Canada probably in excess of 25 per cent of the gross national income, new and more scientific and efficient methods must be taken to check and to go into the methods of that expenditure. This was the intent of the Hoover commission. This is the identical intent of the resolution which is today before the house. Instead of taking away from the responsibility of members of the cabinet and of this parliament, it increases the responsibility of this parliament; it tends to make the functioning of government more efficient. That is the purport of this resolution.

In his budget speech the minister said that the minimum expenditure of Canada in the foreseeable future was, let us say in round figures, two and a half billion dollars. With the increased responsibility which we may have for national defence; with the increase of pressure for expansion of the social services; with the continual pressure for increasing government services all along the line; with the added deficits of the Canadian National Railways, of Trans-Canada Air Lines and of the Canadian National Steamships; with all the other multitudinous expenditures or expenses of government, it means one thing, Mr. Speaker. Taxes can do only one thing and that is go up.

There are two ways in which we can prevent this occurrence. We can deny our responsibilities for national defence. We can retrench in the essential services. We could possibly decrease the essential services. But, Mr. Speaker, I suggest that none of these things is in keeping either with our responsibilities as an international power or with our responsibilities as a free and democratic country.

There is only one other way in which taxes may be reduced, and that is by the efficient

expenditure of the money voted by this parliament. The resolution before this parliament today aims at bringing about just that thing. I suggest that it is the only method by which we may ever expect to see taxes reduced from their present level. The report of the Hoover commission, which was trying to do exactly the same thing, showed that a reduction of $4 billion in the United States was entirely possible without any reduction in the efficiency of the government services. In fact, it showed case after case where the efficiency could be increased. With your permission, Mr. Speaker, I wish to make one or two quotations from this report. They are of a general nature, and I am satisfied that if a similar commission investigated the Canadian expenditures, a similar situation would be found. This is the sort of thing that the Hoover commission discovered in the general administration of the United States. I will just quote a few of them. There are hundreds here that I could give examples of but I will just quote a few. According to the report this is what happened. The bureau of Indian affairs employs one person for each thirty-two of the 393,000 Indians under its care. The veterans administration takes five times as long to settle insurance claims as private companies do, and uses four times the manpower per policy. The government owns three and one-half typewriters for each employee using its machines. After dismantling a $16 million camp in Alaska the army shipped the lumber to Seattle. The Department of the Interior took over the lumber and shipped it back to a point ten miles from where it originally stood.

There is so much duplication in the Department of Agriculture that a farmer received conflicting advice about fertilizers from five different units of that department. To prevent the flooding of Cherry creek, a small stream east of Denver, the army engineers tore down a dam which local engineers considered adequate and built a $15 million dam three miles long and 140 feet high. Some government bureaux are stocked with supplies fifty years in advance. The government owns $27 million of supplies and materials. There is no central inventory of this vast property. Federal jobs are so frustrating that 50,000 persons quit the government each year; yet it takes months to secure the resignation of unsatisfactory employees. Hence the Dorothy story.

Let us take an example of the Canadian administration, about which I know a little bit. Let me refer to the old department of mines and resources. For years the leading spokesmen in the mining industry have pleaded with the government to reorganize the department. They have pleaded with the government to take out immigration and other non-mining subjects. Today the government has split that department into three, but as yet we have no minister of mines specifically responsible to that great industry. I understand today that the ministry and the department are still in 26 different buildings around Ottawa, and I presume the filing system is such that a boy on a bicycle is still the means of drawing files from a number of different central registers. When I make that criticism of the department of mines I do it, Mr. Speaker, from occasional visits and complaints of mining engineers, friends of mine, who have been frustrated despite the very excellent work being done by the engineers, the scientists and the other personnel in that department. Mind you, it is no criticism of the personnel in the department of mines; for when I make that criticism I, as a member of the opposition, make the criticism, and it is put down as political criticism; but if somebody like Dr. Camsell, with an intimate knowledge of this country and an intimate knowledge of that department, as a member of a royal commission such as is suggested, made criticism and made suggestions nobody could accuse him of any political bias. In my opinion he would be one man at least who would be extremely competent and able to suggest the reforms which I believe, and which associates of mine believe, and which many members of the mining industry believe are necessary in that one department.

We go along to all the other departments of government. I may make criticisms; I may ask questions in the public accounts committee, Mr. Speaker. I have just come from a committee that sat four hours on Monday, six hours I think it was on Tuesday, four hours on Wednesday, seven hours on Thursday and very nearly eight hours on Friday dealing with the unmentionable subject of pipe lines. We are told that bloody Mary, the Queen of England, said that when she died she would have "Calais" written on her heart. If I am found dead in my bunk tonight on the train to Toronto I shall have "pipe lines" written around my viscera.

Mr. Sinclair: Mary, Queen of Scots.

Mr. Adamson: No, bloody Mary; not Mary, Queen of Scots: she had her head cut off. I am right in my queen. With all due respect, the question of investigating parliamentary expenditures through the committee system is archaic at the present time. Anybody who will take the trouble to read the reports of the committee going into the expenditures of the Canadian National Railways will see that. Before that committee we had as witness Mr. Donald Gordon and his experts, who

gave a very able presentation of their problem. The plain fact is that today government has got beyond the committee stage. We have got beyond the public accounts committee stage. This parliament is by far the biggest spender of money in the country. No business, no private individual, could possibly remain solvent using the methods this parliament uses to control expenditures.

I want to say one thing about pressure groups. Today in all democratic countries every member, every freely elected member, is subject to pressure groups. There was one here recently. The recent mail that hon. members have been getting with regard to the means test, the various groups in the country who are organized for special interests, are all capable of exerting political pressure at times of election on members of this House of Commons and to any freely elected legislature.

It is human for a candidate to want to be elected; it is human for a candidate, by promise or by the soft answer, to, shall we say, not turn away wrath but to take perhaps a less direct line than the facts of the case indicate. And that pressure is evidenced in the debates in this house, it is evidenced in discussions in committee, and it is evidenced generally through the behaviour of all freely elected parliaments.

Now, were a royal commission, a non-political royal commission such as the group under Mr. Hoover in the United States, to bring down a report such as has been brought down in the United States, a very different attitude might be taken, and a much more realistic attitude, for the welfare of the entire country.

I say this to the Minister of Finance (Mr. Abbott), that one of the most striking bits of evidence at the present time in the United States is that members of the congress returning to Washington almost unanimously report that the question uppermost in the minds of their constituents at home is the expenditure by the federal government. The Hoover report has taken the place of the cold war, has taken the place of the Taft-Hartley Act, has taken the place of all the other contentious items, in the opinions of members of the congress who are returning to Washington.

That is a most salutary thing to happen. Unless and until the full implication of the total mass government expenditure and its effect on the lives of every citizen of the country is fully realized, we are heading for increased expenditures and increased taxation until such time—and that time will come—that the total national expenditures of government reach a percentage point of the total national income from which a recovery to individual freedom will be impossible. What that point is may be debatable. It is certainly less than 35 per cent, and it is possibly more than 25 per cent. But today the expenditures of government in Canada are above the 25 per cent mark. This transcends, I believe, every economic and security issue in Canada today.

Efficiency must be restored and must be brought to big government. We have seen that the methods we already have at our disposal cannot and do not bring about that efficiency. Therefore, Mr. Speaker, I support the amendment moved by my leader, the hon. member for Carleton (Mr. Drew). It is a case of whether we are going to be defeated by bankruptcy or whether we are prepared to fight for our own individual freedom as free men in this country.

On motion of Mr. Ross (Souris) the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): On Monday, private members' day, we will follow the procedure set out in standing order 15.

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

HOUSE OF COMMONS

Monday, May 1, 1950

The house met at three o'clock.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 136, for the relief of Ethel Bell Lifshitz.—Mr. Winkler.

Bill No. 137, for the relief of Martin Matthew Waagemans.—Mr. Winkler.

Bill No. 138, for the relief of Elaine Ruby Cooper Pierre.—Mr. Winkler.

Bill No. 139, for the relief of Gertrude Toulch Standard.—Mr. Winkler.

Bill No. 140, for the relief of Thomas Gordon Williams.—Mr. Winkler.

Bill No. 141, for the relief of Ethel Lerner Baker.—Mr. Winkler.

Bill No. 142, for the relief of Robert Earl Skinner.—Mr. Winkler.

Bill No. 143, for the relief of Chasia Berger Wolf.—Mr. Winkler.

Bill No. 144, for the relief of Henry William Askew.—Mr. Winkler.

Bill No. 145, for the relief of Leman Makinson.—Mr. Winkler.

Bill No. 146, for the relief of Rose Anna Levesque Kirkland.—Mr. Winkler.

Bill No. 147, for the relief of Douglas Barrymore Stone.—Mr. Winkler.

Bill No. 148, for the relief of Nancy Doria Evan-Wong Meade.—Mr. Winkler.

Bill No. 149, for the relief of Louise Elizabeth Garner Mitchell.—Mr. Winkler.

Bill No. 150, for the relief of Vivian Pearl McCrea Gunning.—Mr. Winkler.

Bill No. 151, for the relief of George Bruce Lancaster.—Mr. Winkler.

FLOOD CONDITIONS

SOUTHERN MANITOBA—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 31

Mr. Ross (Souris): Mr. Speaker—

Mr. Knowles: Mr. Speaker—

Mr. Jutras: Mr. Speaker—

Mr. Speaker: The hon. member for Provencher.

Mr. Rene N. Jutras (Provencher): Mr. Speaker, I beg leave to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance, namely the disastrous floods—

Mr. Speaker: Order. This motion is moved under standing order 31, which reads as follows:

> Leave to make a motion for the adjournment of the house (when made for the purpose of discussing a definite matter of urgent public importance) must be asked after the ordinary daily routine of business (standing order 15) has been concluded and before notices of motions or orders of the day are entered upon.

The request for leave appears to have been made at the proper time.

The second paragraph of standing order 31 reads as follows:

> The member desiring to make such a motion rises in his place, asks leave to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance, and states the matter.

The hon. member may proceed.

Mr. Jutras: I wish to discuss the disastrous flood conditions in the province of Manitoba, covering the major part of the province and affecting the lives and livelihood of thousands and thousands of people.

Mr. Speaker: The procedure is that the hon. member then hands a written statement of the matter he proposes to discuss to Mr. Speaker, who, if he thinks it in order and of urgent public importance, reads it out and asks whether the member has the leave of the house. I have read the written statement, and it appears to me to be in order and of urgent public importance. Accordingly, I shall read it out:

> Mr. Jutras moves, seconded by Mr Viau, for leave to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance, namely, the disastrous flood conditions in the province of Manitoba, covering a major part of the province and affecting the lives and livelihood of thousands and thousands of people.

Some hon. Members: Agreed.

Mr. Jutras: I thank you, Mr. Speaker, and the house for giving me this opportunity of discussing a matter of great importance, and of bringing it to the attention of this parliament. Within the last three days it has become a matter of grave personal concern, because this flood affects the major part of my constituency. At the moment the greater part of my constituency is under water, and as reports continue to be received the situation grows worse. As a matter of fact my own property is now in the midst of the dirty waters of the Red river, and the last word

I had indicated that a canoe could be floated in my living room. Compared with the damage to surrounding properties, however, that is of little consequence. The people are helpless; there is nothing to stop the rolling flood water.

A few days ago a man whom I knew well, and who was well regarded in the community of St. Elizabeth, lost his life as a result of the flood. He was just in the prime of life, and leaves a family of seven children, ranging in age from fourteen years to a few weeks. I do want to express my deepest sympathy to Mrs. Sicotte, of St. Elizabeth, and the members of the family. We have every reason to be grateful that so far only one life has been lost. As the flood grows worse from hour to hour, the threat to life becomes greater and greater.

When the flood commenced my first impulse was to go immediately to my constituency to investigate the situation, and at the same time to protect my own property. After due consideration, however, I concluded that it was my duty to remain at my post, at least until such time as the likelihood of a major catastrophe requiring my services in Ottawa had passed. I have kept in close touch by telephone and telegraph with parties in that area ever since the beginning of the flood, and according to the latest report things seem to be fairly well under control. Yesterday I called the mayor of Emerson which was the first town to be inundated, and he told me that the conditions were grim and desolate, but that the people had food, shelter and some heat. It was evident that everything humanly possible had been done for the community, and they were fairly well taken care of. As I have said, every hour the picture changes.

This morning I had been led to believe that the condition has grown worse in Emerson than it was last night. Apparently rail communication has been cut, and the telephone switchboard has been abandoned because of the high water level. I believe the Royal Canadian Mounted Police radio station in the town is keeping in touch with the outside world. I have been told that Morris is facing the same difficulty. I do not know the situation in the town of Letellier, the second town going north, but concern was expressed over the 200-foot sandbag dike which had been erected to hold back the small tributary, the Marais river. The water was lapping over the dike, and I fear that this morning it must be well over it, if indeed the dike has not collapsed under the strain.

When I went home at Easter, there was no flood, but upon investigation there seemed to be every likelihood of one. The authorities at Bismarck and Grand Forks in the United States advised us that there was a likelihood of a flood in the district; therefore some preparations were made. I know that I prepared my house for the flood, and I believe a good many people acted in a similar manner. We moved our stock and feed to the high ground which had remained dry during the 1948 flood. A good many people moved their personal belongings to these high spots. Unfortunately the Red river and its tributaries did not follow the 1948 pattern; consequently all those places that were left dry in the 1948 flood are now under two feet of water. This has made conditions worse than if the people had not moved their personal belongings at all.

Hon. members will no doubt recall from reading newspaper reports that there was a heavy snowfall in that area at Easter. This made it all the more difficult for the people to move feed and stock to higher ground. As a matter of fact, during the weeks that I was there it was utterly impossible to enter any yard of any farm; consequently they could not move anything out before getting a bulldozer, a tractor or a snowplow to clear a roadway into the farm land. Of course there was a terrific demand on all the equipment, and that caused some delay. It kept snowing and drifting all through, and this added to the difficulty of moving out to higher ground.

When I returned here, immediately after the reopening of the session after Easter, I checked with all the federal agencies concerned to see if they were alerted to the situation and were prepared for it. I found all that could be expected had been done, and that all precautions had been taken that could be taken at the time. I also notified the government, all other members for the province, and others, of the impending disaster. The government now, of course, has promised to look into the situation. As I said, it was not entirely unforeseen. We were prepared, but we were prepared for the 1948 level, not for this disastrous flood.

To establish any comparison with what has taken place at the present time in Manitoba one would have to go back at least a hundred and twenty-five years. In those days, of course, there were no records to show exactly how many inches of water there were. But from old records we know that there was a flood about that time somewhat similar to what we are having today.

From the start of the flood the Red Cross organization was put in charge of everything connected with relief; and I think it is proper at this time that I should pay a tribute to the Red Cross for the wonderful work they are doing in that area. I think it was helpful

—and it was possibly as a result of lessons that we learned in the flood of 1948—that everything in the way of demands and requests, and everything going out, was put into the hands of the Red Cross organization. They are now functioning most efficiently. All demands and everything connected with the work have been concentrated in their hands. The provincial government, the municipal government and governments at all levels co-operate with the Red Cross and send everything that can be sent to be helpful to the people through that organization. There has been a centralization of power that has contributed greatly to getting whatever was needed out to the people who needed it. Everybody has been careful not to interfere with the chain of command. Matters have been working smoothly. I hope that this effort will be kept up—and I am sure it will—until the danger is past and the water has started to recede.

I also want to say that the army has contributed greatly, particularly at Emerson, where there were two, three and four feet of water in the streets. Some people were left stranded out in the water. The army proved invaluable in getting those people back to higher ground. The army also provided water purifiers, something which is also of great importance at any time of flood. These purifiers could draw water from the wells, even in the flooded areas, and purify it for drinking purposes. This enabled the town to keep, until a further emergency, the drinking water which had been supplied by the health department of the province.

Another thing that was done by the health department was this: they spotted a tank car of drinking water on the railway, sealed up under the authority of the Red Cross officials at the spot, so that drinking water would be available when it was really required.

Speaking of the railways, I would say that they provided box cars for the storage of personal belongings. Many people are now living in tourist coaches. There are cook cars and various cars where people can at least have food and water. Furthermore mounted police at Emerson and Morris have been well prepared from the start. They have protected property and they have installed radio communications to meet this emergency, keeping contact with the outside world through their radio station. I was glad to hear on Sunday afternoon the R.C.M.P. operator, speaking from Emerson over the radio, saying that they had all that was required to take care of the situation at that time, and that they had no particular requests to make then.

This picture of the situation in Emerson will give you a picture of the disaster in the Red river valley. When you consider that at the present time there is water well over the windows of the houses, and that most of the people had to be evacuated from the town, you can well imagine the desolate picture now presented by the town, and the great loss that will be incurred in this town alone. As you move out to the United States boundary from Winnipeg, you go through the towns of Morris, St. Jean Baptiste, Ste. Agathe, and the same story repeats itself. Mr. L. Brown reported over the radio on Saturday afternoon, speaking in the streets at Emerson, and he reported again on his way driving back from Emerson to Winnipeg in an amphibious vehicle. The way he put it was this. All he could see was water on both sides of what was supposed to be the highway which he was following, and toppling buildings and desolate isolation. This is the picture of the entire Red river valley, which is practically the entire area from the city of Winnipeg to the border and practically to Bismarck, and in Manitoba extending west right up to the Pembina hills and to the sand hill to the east.

To make matters worse—that is, worse for the people in the district—the weather has been terribly cold. Since the flood I understand the highest temperature recorded has been 45 degrees above zero. Every now and then they have had snow. They had snow in the early part of the week; they had snow in the middle of the week, and last night I understand they had snow again, or at least last night it was a little bit further south, in the United States. One can well imagine the misery of trying to hold up dikes, working in two or three feet of water, with the snow falling most of the time. Then we must remember that in most of the homes the basement and sometimes the first storey has been flooded; consequently their means of getting heat is restricted and in some cases completely cut off. It is very difficult to live without heat in such weather at the present time. In spite of the fact that this cold weather has probably helped the situation so far as Winnipeg is concerned, and may prevent that city from getting as high a flood as would be expected from all that water further south, it has made the conditions that much more difficult for the people in the district.

When this water recedes—I hope it will be before too long, although it will be some time yet, because it is still climbing, and if any snow falls again in the south or anywhere around, it will go up again—you can well imagine the tremendous loss that these raging waters will leave in their wake in that part of the province. Most of the public works

of course will be washed away. There will be tremendous damage to real estate. As I explained previously, although we were prepared for the 1948 level, we were not prepared for this one. I know of one farmer who had moved his cattle, his grain and his feed to a high spot, or at least one that was a high spot and a dry spot in 1948. Shortly after moving his stock, his grain and his feed, the water came over it and he had to move a second time to higher ground. By that time of course he was worse off than if he had left his feed and livestock at home, because where he was there was very little accommodation, not nearly the accommodation he had had at home; he was completely surrounded by water by that time, and could not get out very easily. I have no doubt that that experience has been repeated in many parts of the district. We can expect that the losses in grain and feed, apart from livestock, will be very great indeed because of that fact.

I want to say here that this is not just another flood. I know that in a country the size of Canada there are floods every year in some parts of it; but this is a flood that has a peculiar aspect to it. As I said before, it covers practically all of the best farm lands of the province, extending even north of Winnipeg, and from Winnipeg right down to the boundary east and west. The most densely populated area of rural Manitoba is flooded.

What I suggest for consideration is that this area did have a serious flood in 1948; but now after a lapse of two years we are faced with a much worse flood than the one we had then. Everybody will realize, of course, what this means to the local residents of these farms. They had not completely recovered from their losses of 1948, and now they are faced with even greater losses financially and otherwise, which will work a terrific hardship on them.

There is another factor that enters into it. This is an international flood. It is not a flood that is confined to Canada. It originated further south in North Dakota and Minnesota, and came into Canada, with the result that this vast expanse of water is astride the international boundary. This is a recurrence of the flood of 1948. It is true there is quite a lapse of time between floods, but still this is a recurring problem; it is happening every now and again. As a matter of fact, I went back and checked up when floods of major importance had taken place in the Red river valley, and I found that they date back to 1776. Apparently there was a flood in 1776; there was another in 1790; the next one was in 1826; then there were floods in 1849, 1852, 1861, 1885, 1897, 1916, 1948 and 1950. Therefore the lapse of time between the various floods runs 24, 36, 23, 3, 9, 24, 12, 19, 32, and 2 years, making an average of 18 years.

It has to be noted that the source of the recurring floods is outside of our own country, and south of the border, and as a matter of fact we can do very little about it. In all fairness I want to say that our United States friends to the south have made some efforts to try to prevent those floods from occurring in their country and in ours. Actually they have impressive plans now before them. They have spent $1,500,000 to prevent floods, and there is now being spent $3,300,000. There is an authorization of $12,250,000, and there is up for review an amount of $353,000. That amounts to a total of $17 million. That is the amount they expect to spend to try to control floods in the Red river.

In spite of that, according to the best experts and engineers, there is every likelihood that, even with all these major projects and all this work being done to try to hold the water back, it will not be enough to control the floods. It might control them to a certain extent, but that is not a solution of the problem of these floods in the area. I ask the government to press the international joint commission to speed up its engineering report on the control of floods in the area, to try to get some action, and to explore further to see whether, if they cannot be wholly controlled, they may be partly controlled.

I take this opportunity to draw the attention of the Prairie Farm Rehabilitation Act officials to this problem. For some time I have thought that an irrigation project could be set up at the foot of the Pembina hills. As a matter of fact I have consulted a competent engineer. I have a map which shows that there is a possibility—it has not been studied in detail—of holding at least the water coming from Pembina hills into the valley of the Red river, this eliminating some of the difficulty. I do not mean that this would prevent the floods, but it might alleviate the difficulty to some extent. The main thing to remember now is that even if it does not prevent the floods in the district, it might prevent them from rising the extra two or three feet, and if it did that it would pay for itself on the occasion of one flood. As we know, as the water rises higher and higher the damages mount in very much greater proportion. I would go so far as to say even that the last four or five feet of the flood will probably do more damage than the initial forty-foot rise. So, even if it is only a slight measure of control, it would be well worth while investigating.

I wish at this stage to draw the attention of the Canadian wheat board to a problem that will probably arise as soon as the waters recede. We must envisage now the possibility —perhaps even more than a possibility; it amounts almost to an assurance—that the entire southern part of the province will be unable to produce any wheat this year. We are now in the month of May, and the waters are still rising. By the time they recede and the land dries enough to permit cultivation, there is every likelihood that the time will have passed when the planting of wheat would be possible. We may envisage a situation in which no farmers in the district will be able to plant wheat.

This condition will naturally make a much greater demand on coarse grains seed for seeding purposes. I would expect that there would be some degree of scarcity of those grains at the present time, since much of the seed grain stored for planting purposes is probably under water today. As soon as the land dries out, undoubtedly all the farmers will rush to the wheat board or to the market to secure seed grains, and the board would be wise to prepare for that condition now. Naturally the demand will be most urgent. As soon as the land is ready, the people will want to get on it.

At this stage, of course, it is too early to assess damages. We know that in 1948 the damage ran into millions of dollars, and this time it will be well over that amount. I think it is only fair to say, therefore, that these people will need assistance. As I have indicated, everything for their immediate assistance has been channelled through the Red Cross. As the peak is passed, everything will be channelled back to the provincial government. No doubt some assistance will be given. Indeed, we have the assurance from the Prime Minister (Mr. St. Laurent), and I am grateful to him for it, that the matter will be looked into, in conjunction with the province, to see what can be done.

At this time, therefore, I would request the government to send someone in authority out there to look over the situation, and to learn exactly what the story is in that part of the province.

Mr. Garson: Mr. Speaker—

Mr. Speaker: I might say that before coming to the house the hon. member for Provencher (Mr. Jutras), the hon. member for Souris (Mr. Ross) and the hon. member for Winnipeg North Centre (Mr. Knowles) all informed me that they proposed to make the motion that has been made this afternoon. I intimated that in all probability I would see first the hon. member for Provencher, because he had intimated to me earlier than the other two members that he would make his motion. I had to find some reason for recognizing one of the hon. members.

In view of these circumstances I believe that perhaps I should call upon those hon. members in the order in which they had seen me prior to entering the chamber. Following that procedure, I would recognize next the hon. member for Souris, and then the hon. member for Winnipeg North Centre.

Mr. Garson: Mr. Speaker, I entirely agree with the reasons you have just stated for calling on these hon. members in the order indicated. However, in view of the fact that there would seem to be a number of members wishing to take part in the debate, I am wondering if perhaps the house would be prepared to hear a statement from me concerning the communications I have had—

Some hon. Members: No.

Mr. Garson: —with the premier of Manitoba, which might shed some light upon the matter, and perhaps dispose of matters which would otherwise take a good deal of time in debate.

Mr. J. A. Ross (Souris): Mr. Speaker, in view of my experience with the Minister of Justice (Mr. Garson) when he was premier of Manitoba, and with the present premier of that province, I should like to speak at this time, if it is agreeable.

I had intended to ask leave, under standing order 31, to move the adjournment of the house to discuss a definite matter of urgent public importance, the flood conditions in southern Manitoba, which are causing loss of life, damage to property, and untold suffering.

I have followed closely the remarks of the hon. member for Provencher (Mr. Jutras), and I agree that most serious concern and damage is within his riding, while it does affect citizens in many other ridings in the thickly populated portion of Manitoba. There is one statement he made, however, with which I do not agree, and that is that at the present time the flood is fairly well under control.

Mr. Jutras: I did not say that.

Mr. Ross (Souris): I stand corrected.

Mr. Jutras: I am sure the hon. member wishes to be accurate. I did not say it was under control. As a matter of fact, I said it is worse than it was before.

Mr. Ross (Souris): I apologize to the hon. member, because I must say I could not understand his making that statement. I am sure I must have misunderstood, because

the report I received this morning is to the effect that it is worse than it was. The floods have not yet reached the peak. Therefore I am glad the hon. member and I agree upon that point.

I agree with him also in expressing my compliments and congratulations to those splendid citizens and officials who are doing such a magnificent job under very great difficulties out there at this time. I believe there is a real engineering problem in that area, and one which, if faced immediately, would lessen future costs. The best engineers in this country should be flown in there right away, and there should be immediate financial aid for those who are suffering undue hardship.

I cannot understand public officials adopting a wait-and-see attitude under circumstances of such great difficulty, because in the long run it will mean a heavy expenditure in dollars and cents. The greatest concern right now, however, is to relieve human suffering, and I know that in circumstances such as these there is much of it. I join sincerely with the hon. member in complimenting those people upon the splendid job they are doing under such great difficulties.

Dealing with this motion to adjourn, according to a Canadian Press dispatch of April 28, last Friday, provincial public works minister Hon. E. F. Willis has said that the Red river flood this year is far worse than the flood in 1948, when damage amounted to millions of dollars. The hon. member for Provencher has substantiated the fact that the damage is much greater today. Mr. Willis, who is acting premier in the absence of Hon. D. L. Campbell, said the deluge is in every sense a national emergency and should receive the immediate attention of the federal government. The floods are as national in character as those in British Columbia in 1948, and national assistance should be made available in the same way. On the same date a telegram was sent to the Prime Minister by Mr. Harry Shewman, member of the legislative assembly and mayor of Morris. The citizens of Morris are certainly undergoing great hardship—those of them who have not already been evacuated. His telegram reads:

> I would like to ask your government to give aid to the flooded area of the Red river valley as this is a national emergency. This area flooded badly in 1948 and 1950. Many people have suffered great financial loss.
>
> Would suggest that a royal commission be set up to investigate flood control, also income tax exemptions of the repairing of homes this year.

The Prime Minister stated that he had received this telegram and the matter would be looked into, but not at the moment by a royal commission. He said:

> We shall endeavour to ascertain what the situation is, and then determine what action, if any, should be taken.

On that same date the Secretary of State for External Affairs (Mr. Pearson) made a statement to the house. He said, as reported at page 1980 of *Hansard*:

> As hon. members will recall, in a statement to the house on May 3, 1948, the then secretary of state for external affairs replied to a somewhat similar question asked by the hon. member. At that time the minister stated:
>
> "Our information is that the present flood . . . did come principally from international waterways which flow from the state of North Dakota into the province of Manitoba. While to some extent it is a recurrent flood, it had caused no disaster of this magnitude since 1916."
>
> That was in 1948.
>
> "The reference to the international joint commission, dated January 12, 1948, covering waters from the eastern boundary of the Milk river drainage basin up to and including the drainage basin of the Red river, does allow the commission"—
>
> That is, the international joint commission.
>
> —"to make recommendations with a view to preventing the recurrence of such floods."

I skip a portion and continue:

> The United States government has made, and is making, large contributions to flood control in the Red river basin in that country. Storage dams have been built, channel enlargement has been made and confining dikes have been built. The dams tend to hold waters back from Manitoba, while the other two methods tend to send it down stream faster. Studies indicate, however, that the net effect of these measures on flood peaks in Manitoba is negligible.
>
> Approximately ten miles down stream from Emerson, the Roseau river enters the Red with waters gathered in Manitoba and Minnesota, while at the city of Winnipeg, the Assiniboine river joins the Red, bringing with it the waters of the Souris river, which are also under investigation by the commission looking to complete utilization and control.
>
> The various studies necessary to the comprehensive planning of all the phases of these investigations are involved and difficult. The engineers have, however, already gathered a great deal of data on which to base conclusions. These data are being analysed, and it is hoped that on completion of the studies the two nations will have plans which will include measures for the alleviation of flooding such as is being experienced at present.

I then asked the minister whether that report was up to date and he answered:

> This report . . . is up to date. The report of the engineers has not yet been submitted to the international joint commission, but that will be done shortly.

To people closely associated with southern Manitoba flooding problems past and present the report by the Secretary of State for External Affairs is not very satisfactory. May I say that so far as Canadian appointments to the international joint commission on water rights are concerned, many people consider this a lucrative pension scheme to certain people for past faithful service.

Personal friends of mine, who rendered spendid service for three score years and ten and were then in ill health, have been appointed to the commission. In the past they rendered splendid service to their communities and the country in general. There is great dissatisfaction in this regard among people well acquainted with these flood problems. In fact the engineers' association has publicly protested this method of appointment.

On the Red river watershed in the state of Minnesota, construction work on reservoirs and dams has recently been completed at a cost of $1,500,000, and further construction of projects of this kind has been authorized to commence at an early day in the state of Minnesota, the estimated cost of which is $4,376,000. On the Red and Souris river watersheds in the state of North Dakota, construction is now under way amounting to $3,343,000, and further authorization to commence at an early day has been granted in the amount of $7,851,000, a total of over $17 million. Therefore it is obvious that the people of the United States are trying to do something about this recurring situation.

As the Secretary of State for External Affairs referred to the 1948 flooding of both the Red and Souris rivers, may I say that I have considerable knowledge of the flooding problems of the Souris river. In three successive years, 1947, 1948 and 1949, as a result of flooding, the use of many thousands of acres of the most productive and valuable land in that river area was entirely lost, and the various farm owners received no recompense whatever from either the provincial or the federal government. During the late thirties, following the drought period, I drove federal government officials up the bed of the Souris river in an automobile. It was entirely dry in many stretches. Following that, a series of dams were constructed in the river, and, while requesting these dams, I argued strenuously with the then responsible engineers against the proposed type of dams which they insisted upon constructing. I pointed out to the engineers what in my opinion might easily happen in the future. Many concrete pillars a few feet apart and higher than much of the level farm lands were constructed with stop logs rather than proper type of control gates. During the spring of 1948 particularly, much debris, et cetera, jammed from the bed of the river to the top of these pillars, piling up around them until the flood waters upstream were several feet higher than just below the dams. People have photographs of this condition and other genuine proof that many thousands of acres of land became flooded and could not be drained in 1948 for cropping, directly as a result of this type of construction. The proper authorities then realized the situation, and have since disposed of many of these pillars and have altered in some degree the construction of these dams.

Several of the farm owners of this flood area have been asking in vain both provincial and federal authorities that they be reimbursed to some extent for this very great loss. A number of these farmers have now gone together and placed their case in the hands of an able and prominent lawyer, but it is necessary to obtain a fiat or permission from both the provincial and the federal government in order to sue them. Surely that should not be necessary in such a case.

During the time of the 1948 floods in southern Manitoba I flew over a great part of the Red and Assiniboine flood areas, and following that devastation, later in the same summer, I motored through these same areas. I have lived most of my life along the banks of the Souris river. The southern Manitoba floods of 1948 caused a loss of millions of dollars. In my opinion, with respect to the 1948 flood problem or the present national emergency as a result of southern Manitoba flooding, while the Manitoba department of public works has done a very good job in either construction or repairing roads, bridges, et cetera, or in assisting municipalities to do so, as yet neither the provincial nor the federal authorities have faced their rightful responsibilities in this matter.

The 1950 Manitoba flood, which has became a national emergency, affects many citizens in at least eight federal constituencies, or one-half of the federal constituencies of the province of Manitoba. I am asking that the federal authorities, together with those of Manitoba, handle this situation on the same basis as in the case of the citizens of Fraser valley, British Columbia, in 1948. I am asking that a thorough study be conducted of Manitoba flood conditions during the past three or four years, and that a settlement be made on the same basis. In this respect I should like to quote what Mr. Mackenzie King, then prime minister, had to say on June 9, 1948, as reported at page 4937 of *Hansard*:

> I should like to give the house the latest information as to the arrangements made between the government of British Columbia and our own government with respect to flood conditions in the Fraser valley.
>
> Since his arrival in Ottawa, Hon. Byron I. Johnson, premier of British Columbia, has been conferring with the Minister of Finance and other members of the government, as well as myself, regarding arrangements for co-operation between the two governments in meeting the appalling situation in the Fraser valley, which the government has

recognized as a national disaster demanding action beyond the resources of the provincial government.

After consideration by the cabinet yesterday, the government agreed to accept financial liability for measures of relief and rehabilitation arising from the flooding of the Fraser valley, on the following basis:

1. The costs of temporary emergency relief to be divided equally between the two governments.

2. The costs of emergency measures already taken or being taken for protecting and strengthening the dikes and for their eventual reconstruction, and for the restoration of the protected lands by the pumping out of flood waters, to be met 75 per cent by the federal government and the remaining 25 per cent by the provincial government.

3. The costs of rehabilitating the areas affected by the floods to be settled by subsequent agreement between the two governments after receiving a report on the extent of damage from the Fraser river valley relief and rehabilitation commission.

In calculating the federal share of the cost of emergency relief and of protecting and restoring the dikes, it was understood that costs incurred by the federal authorities through the provision of services and supplies and as a result of the employment of the armed services would be taken into account.

Both governments have already directed their representatives, General Hoffmeister and Mr. Hamber, not to permit the working out of detailed arrangements to delay action urgently required to provide adequate emergency relief, or to maintain, to repair or to restore the dikes.

Then again on June 25, 1948, as reported at page 5831 of *Hansard*:

I wish to make a statement on relief and rehabilitation in the Fraser valley as approved by the premier of British Columbia on behalf of the government of British Columbia and myself on behalf of the government of Canada.

After consultation with the Fraser valley relief and rehabilitation commission established by the governments of Canada and British Columbia, the two governments have agreed that the assistance to be given by the government of Canada to British Columbia in helping to meet the requirements for emergency relief and for the rehabilitation of the flooded areas in the Fraser valley arising out of the national disaster created by the floods shall take the form of a lump sum grant by the federal to the provincial government of $5 million.

It has been agreed by the two governments that this grant will be understood to cover the share of the government of Canada in temporary emergency relief as well as the share of financial liability for measures of rehabilitation which the government of Canada agreed to accept in accordance with the announcement made in the House of Commons on June 9.

In addition to the lump sum grant of $5 million for relief and rehabilitation, the government of Canada will provide seventy-five per cent of the cost of repairing, strengthening and reconstructing the dikes in the Fraser valley and removing water and debris from the flooded land, and the provincial government will provide the remaining twenty-five per cent of these costs. The two governments have agreed to establish a Fraser valley diking board that will carry on this work as quickly as the board can be organized, and take over the actual responsibility for this work from the various local, provincial and military authorities now dealing with it.

[Mr. Ross (Souris).]

In the supplementary estimates for the fiscal year ending March 31, 1949, vote No. 932 read:

To authorize and provide for payment of a portion of the costs incurred on or after May 15, 1948, by the government of British Columbia, by the municipal authorities in the Fraser valley and by the departments and agencies of the government of Canada in repairing, strengthening, constructing and reconstructing dikes in the Fraser valley and removing water and debris from the flooded lands in that valley in accordance with an agreement which the government of Canada is hereby authorized to enter into with the government of British Columbia for the purpose of establishing a division of such costs on the basis of the government of Canada bearing seventy-five per cent thereof, $4,500,000.

And vote No. 933:

To authorize and provide for the payment of an emergency unconditional grant to the government of British Columbia to assist that government in meeting costs incurred in providing emergency relief to the residents of the Fraser valley and in rehabilitating the areas damaged by the floods which were declared by order in council dated June 10, 1948 (P.C. 2644) to have created a national disaster, $5,000,000.

That made a total of $9,500,000 from the federal treasury. Resulting from these floods there are many ramifications and details which are causing hardship and financial embarrassment to many citizens. I might refer to just one. On previous occasions I have referred to the antiquated method of financing education in Manitoba. I have referred to the thousands of acres of flooded land in the Souris area which have produced no return for the last three years, yet bear the highest assessment of any land in those municipalities. These people have had to pay taxes just as though they had been in receipt of revenue; and that has been the case for four and five years with some of them. I just point to that as one shining example, because the greater part of the levy on real estate goes for the cost of education. I am ashamed of the system we have in Manitoba to finance education, which brings financial embarrassment to many of these people.

I shall not go into any other of the ramifications at this time. As I pointed out at the beginning, there should be immediate financial aid for the flood victims. The best engineers in this country should be flown into that area to see what they can do. I agree with the remarks of the hon. member for Provencher (Mr. Jutras). Much of that land will not be seeded this year at all. In other areas the land will not be ready in time to seed for wheat, and those people must have assistance. It will take them many years to recoup themselves for the great losses they are suffering.

Then I believe there should be a thorough investigation and a settlement on the same basis that was adopted in connection with the Fraser valley floods in 1948. I am sure every hon. member who gives serious thought to the matter will recognize that it is a national emergency affecting the greater part of the constituency of Provencher, and also at least eight other constituencies, which means that it affects at least half the federal constituencies in that province. I cannot understand why the premier of Manitoba has not taken more definite action, knowing him as I do. He is a very fine type of man, but at times he does find it difficult to make up his mind about these matters. I hope hon. members will realize their great responsibility and obligation at this time, and will see to it that immediate action is taken to help these people. Such action will keep up their morale in the fight they are carrying on, and will lessen the financial cost resulting from this disaster.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am sure all hon. members are glad that you had no hesitation in permitting the hon. member for Provencher (Mr. Jutras) to put his motion for the adjournment of the house to discuss this question as a definite matter of urgent public importance. I suppose if there had been any doubt in your mind as to the urgency of the matter, that doubt was dispelled by the fact that you received notices from three of us from Manitoba as to our intention to move similar motions.

Since the member for Souris (Mr. Ross) has indicated what would have been the terms of his motion had he been permitted to make it, I might also be granted that privilege. The motion I sought to move reads as follows:

> Mr. Speaker, I ask leave, seconded by the hon. member for Selkirk (Mr. Bryce), to move the adjournment of the house under standing order 31, for the purpose of discussing a definite matter of urgent public importance, namely, the disastrous flood situation in the Red river valley of Manitoba, and the need for an immediate statement by the federal government as to its readiness to provide financial assistance to aid those who have suffered serious losses as a result of this national disaster.

One of the reasons I wanted to read the terms of that motion at this point, Mr. Speaker, was that I felt I should like to emphasize the aspect of the problem referred to by the member for Souris in his concluding remarks. We all recognize that the government—like Canute—cannot push back the waves of water that are now flooding the province of Manitoba. I am going to say more about that later, especially with respect to what the international joint commission might be doing. At the moment, the flood is there. Even a debate in this house will not drive it back. But it would mean a great deal to the morale of the flood victims if a statement could be made today to the effect that financial assistance will be forthcoming. Quite frankly, Mr. Speaker, that is one of the reasons that some of us were not willing to give way to the Minister of Justice (Mr. Garson). If his statement does not include that assurance, we are now giving him time to make that alteration before he speaks in this debate.

I suppose one of the arguments the government will use for not making a definite statement at this time may be that it takes time to survey the extent of the damage; that it takes time to determine how much money would have to be appropriated; and that it might even take time to determine whether there is any federal responsibility in this matter. I do not think there can be any doubt about the federal responsibility. The situation is clearly a national disaster. The precedent established two years ago in British Columbia is well known, and has been spelled out by the member for Souris. It seems to me that even if it is not possible at this moment to state what amount of money will be made available, it is possible to give an assurance that an appropriation will be asked from parliament to assist those people who have suffered serious loss. I certainly hope that statement will be forthcoming from the Minister of Justice when he speaks. As I say, it will give a much needed boost to the morale of those people who are suffering these grievous losses.

It has already been pointed out that the mayor of one of the towns most seriously hit in the area between Winnipeg and the border, Major Harry Shewman, M.L.A., of Morris, has made representations to the Prime Minister. It is also known that the suburban municipalities around Winnipeg are requesting federal assistance. I understand that the Hon. Errick Willis, minister of public works in Manitoba and deputy premier in the coalition government, has declared that in his view the responsibility for aiding those people does rest on Ottawa. The only reference I have seen thus far to the premier of the province, the Hon. Douglas Campbell, is that he is waiting to see whether or not it is a national disaster, and whether or not the federal government should be called upon for assistance. The premier may be waiting to ascertain that fact, but the thousands of people to whom the member for

Provencher (Mr. Jutras) has referred in his apt description of this situation do not need to wait; they know from bitter experience that it is a serious disaster. I certainly hope there will be the assurance of federal assistance without further delay.

The member for Souris has indicated the amount of money made available two years ago in votes Nos. 932 and 933 of the appropriations for the year 1948-49. Those votes amounted to $4,500,000 to assist in certain construction and diking work on the Fraser river, plus $5 million for what might be called direct relief. I am sure those who were in the house on that occasion will recall that the house voted that money gladly. There was a feeling on the part of the representatives from all over Canada that these were our fellow Canadians who were in distress, and that they certainly deserved the assistance voted to them. I am satisfied that the members for British Columbia will today support us in our request that similar assistance be given to the flood victims in the province of Manitoba.

I fully agree with the two previous speakers as to the urgency for more speedy action on the part of the international joint commission. I am sure that all of us who make this plea at this time feel that it is most unfortunate that we should be forced to discuss ways and means of preventing floods when the floods are upon us. I feel the government should have been embarrassed the other day when I put my question, which the member for Provencher also had in mind, to the Secretary of State for External Affairs (Mr. Pearson) as to what had been done since the matter of that commission doing something was raised in the house by the member for Provencher two years ago. When that question was asked the minister said that the member for Provencher had been speaking to him about it, but he had to look it up to see what had been done in those two years. Since it had been stated in the house two years ago that this question does come within the terms of reference of the international joint commission, it does seem to me that that commission should be made to realize that the time to act on the flood question is not when the floods come but before they come in an effort to prevent their recurrence.

It does seem to me, Mr. Speaker, that the ingenuity of the engineers of our day is sufficient to find some way in which to cope with this problem. The suggestion made by the member for Provencher seems to have considerable merit. I imagine that the difficulty is not one of engineering ingenuity, but the old problem of finding the money for necessary public works. If we were not discussing the flood situation in Manitoba at this time, I believe the order paper is so laid out that we would have been discussing pipe lines. Incidentally, there seems to be plenty of money available for those pipe lines. If a small portion of the money that is being spent to pipe gas and oil out of Canada could be spent to pipe some of this water away from places where we have too much of it, I believe that would solve the problem quite easily.

I shall not make the mistake of going over the material that has been presented. The member for Provencher has given a complete description of the seriousness of the situation in a large area of Manitoba from Winnipeg right down to the border fanning out over a wide section of that part of the province. As some hon. members no doubt have heard, there is one point where the Red river is now fourteen miles wide. This means a great deal of devastation in that area. A great many of the constituencies covered by the flood waters are agricultural constituencies, but damage is being done to many residences in the suburbs of Winnipeg as well, such as St. Boniface, Norwood, St. Vital and in the Kildonans. The fact that three of us from Manitoba have sought to move motions with respect to the matter makes it clear that it is a serious situation, indeed that it is a national disaster.

If the Minister of Justice is now following me, I hope he will not make a long statement about dominion-provincial relationships, constitutional niceties or the difficulty in finding ways and means of voting the money. I hope he will make a clear-cut statement that the federal government does recognize its responsibility and is prepared to ask parliament to vote money to provide financial assistance to aid the victims of this serious flood.

Hon. Stuart S. Garson (Minister of Justice): The quality of the speeches we have heard, Mr. Speaker, is quite in accord with the seriousness of the subject with which we are dealing. I particularly want to congratulate the hon. member for Provencher (Mr. Jutras) on having introduced this motion this afternoon. Apart from any other purpose it may serve, it permits me, as a minister of the government, to make a somewhat more lengthy statement—and on that account, in some respects more satisfactory—than the short statement I might be able to make on the orders of the day.

Before I enter upon the body of my own remarks, which I shall try to keep as brief as possible, I should like to deal with some of the points which have been raised by the last two speakers. The hon. member for Souris (Mr. Ross) suggested that one of the

first steps we should take at the present time is to fly the best engineers in and look the situation over. As one who has great admiration for engineers, I suggest in all seriousness that there is little indeed that their examination of the present situation could do to solve the immediate problem. I suggest that what we have at the present time is not in any sense an engineering problem at all, but rather one of relief and of minimizing the loss of life and the loss of property.

Then the hon. member went on to imply that the government of Canada have been remiss in comparison with that of the United States, in that whereas the former had spent a small amount of money in, presumably, the alleviation of this flood—I presume that is what he meant—the United States government had spent large amounts of money south of the border; and therefore we were to be criticized.

I should like to tell him—and perhaps he knows it already—that this morning, upon coming back to Ottawa, we found a personal letter awaiting us in which there was quoted a report from a person some thirty-five miles or forty miles south of the border in the United States. In it this gentleman said that in his area, in spite of these works to which the hon. member for Souris has referred, the Red river at that point was sixteen miles wide and when the wind blew it had whitecaps on it just like the ocean; and that the Tamarac river, a rather small tributary of the Red river coming in at or about that point, was about seven miles wide. I therefore think that what we are confronted with here, and what one ought in some intellectual honesty and political fairness to take into account—and which is also supported by the brief statement that was read by my colleague the Secretary of State for External Affairs (Mr. Pearson)—is that we are, by the nature of the topography of this whole area, confronted with a flooding problem which engineering skill can alleviate but perhaps not entirely cure.

That was indicated, as a matter of fact, by one of the selections from the statement made by the Secretary of State for External Affairs which the hon. member for Souris was careful not to read. It reads in this way:

> Control of these waters through construction of storage reservoirs in the United States has been the subject of study in that country—

—not by the international joint commission but by these engineers of the United States government, which is willing to spend these large amounts of money that my hon. friend wants us to spend in this country, and for the protection of its own subjects. And what was their conclusion? It was this:

> —"but it has been stated with authority that complete control by that method is not feasible."

I admit at once that if complete control is not feasible, that does not in any way detract from the validity of my hon. friend's argument. If complete control is not feasible, that is perhaps all the more reason why such control as is feasible should be provided.

In that connection I should like to say that this matter has been the subject of study, as we all know, for the past two years at least by the international joint commission, to whose practice I think I should perhaps make a reference or two in order that we may understand better the present engineering problem with which we are confronted.

When a reference is made by the United States and Canadian governments to the international joint commission of the type of this Red river problem, the commission usually establishes its own engineering board for the purpose of dealing with that reference. Having regard to the fact that it is an international joint commission, that engineering board is also international in character and is made up of the best top-grade engineers that it is possible to secure for that purpose on both sides of the boundary. This board, when it is made up, is a creature of the international joint commission, which international joint commission is responsible not to one government but to two governments. This board, as I understand, has already made some four interim reports to the international joint commission, but, without securing the approval of the commission itself and also that of the two governments involved, I think we could not make use of these interim reports for the purpose of the present discussion.

Two things, however, are clear from the statement made by the Secretary of State for External Affairs. The first of them is the one I have already mentioned, namely, that complete control of the type of flood problem that is encountered in the Red river valley is perhaps not feasible. The second is the point which I think the hon. member for Souris read in his own statement. That was to the effect that these works that have already been done in the United States, and to which he made reference, have a negligible effect upon the flood peaks effect of any waters that come over the international boundary into Canada. That was the part of the statement that my hon. friend read.

From this fact I think it will be seen that while the flying in of engineers to look over the situation at the present time might

be a picturesque gesture, it might win some votes from people who were not too well informed; but as for making any real progress towards the real solution to their immediate problem, it would be of no avail.

Mr. Ross (Souris): Never mind votes at this stage. Look after the people.

Mr. Garson: I think that, in all fairness, at this stage I should make a few brief references to the gentlemen who my friend the hon. member for Souris said was a particularly close friend of his but whose friendship did not prevent the hon. member from making an allusion to him in this house which was most unfair and, shall I say, most unworthy of a friend, when the hon. member sought to attribute to one of the members of the board some blame for any delay that there might be in the making of reports of this engineering board. This board is a separate group set up and composed of a different type of professional persons. It happens to be the group which in the present case has the responsibility for any lapse of time that could properly be called delay. I do not think that they have been guilty of any delay, but if there has been any improper delay, it has been the fault—if anyone was at fault—of the engineering board that was seized of the matter.

The last two preceding speakers were anxious that I should not deal with any constitutional quibbling in replying to their suggestions that the government's position with regard to the sharing of costs and the like should be clearly stated; and I—

Mr. Ross (Souris): I know the minister wants to be fair. I never mentioned that point in my remarks at all.

Mr. Knowles: I did.

Mr. Garson: My hon. friend from Souris is not the only one who speaks in this house. I am referring at the present time—

Mr. Ross (Souris): You said, the last two speakers.

Mr. Garson: Well, I stand corrected. The hon. member for Souris did not refer to that; maybe he only thought it. I presume it was mental telepathy.

Mr. Ross (Souris): I won't give him high marks as a mind-reader, either, Mr. Speaker.

Mr. Garson: Be that as it may, I think that both of my hon. friends—I think I can include the hon. member for Souris in this remark—have overlooked the important statement that was made by no less a member of this house than the right hon. the Prime Minister (Mr. St. Laurent) in reply to a question of the hon. member for Winnipeg North Centre himself. On April 28 last, the Prime Minister said, as reported at page 1981 of *Hansard:*

> Hon. members can be assured that it is the desire of the government to treat every part of the country in the same way. Should there ever be in any part of the country the sort of disaster there was in the Fraser river district, the people of that section would be entitled to expect that they would be treated in the same way as the residents of the Fraser river valley were treated.

Now, Mr. Speaker, in general terms before we even know what the extent of the flood will eventually be, because this is a fluid—that is not a pun—situation—

Mr. Argue: Too fluid.

Mr. Garson: We have not by any means reached the last extent of the inundation, and we have not at the moment the faintest idea as to what the property damages ultimately will be. Therefore it seems to me that no honest public man could give an undertaking except in the general terms in which the Prime Minister has already stated it. I do suggest, sir, that these terms are as explicit as it is possible for any honest man to be at the present time.

So much for that point. I should like to say, sir, that from the very first time that this matter began to appear as a flood situation, which was much more than a spring flood of merely unusual proportions, I have been in communication with my former colleague, the premier of Manitoba, the Hon. D. L. Campbell. I suppose that from a political standpoint I would have been much better off perhaps if I had made a great commotion about this—if I had flown out and got under the feet of the people who are trying to deal with this matter, and if when they were trying to bring people out who were marooned, I had insisted upon an airplane to go around to inspect the flood and had made a commotion of that sort; but I think that in the long run the people of Canada are intelligent enough to see through that sort of political tactic, and therefore I avoided it. But I have been in constant communication with the premier of Manitoba, and I should like now to relate to the house what he has told me concerning this situation. I suggest with the very greatest respect and deference to the hon. member for Souris (Mr. Ross), and the hon. member for Winnipeg North Centre (Mr. Knowles), that the premier of Manitoba, who has been actively and personally engaged, and absent from his office for great lengths of time giving personal attention to these matters, is perhaps at least as well fitted to express an opinion concerning this matter as either of them.

Mr. Ross (Souris): I said that he had been absent.

Mr. Garson: Yes. My hon. friend is always right.

Mr. Ross (Souris): No, he is not always right; but he is not always as wrong as the minister would like to paint him, either.

Mr. Garson: This is what the premier of Manitoba has told me. He said that the Manitoba department of mines and natural resources, which is represented on this international joint commission—I would not say directly represented, but it has close contact with it—knew for some few weeks before, as one would expect it to know, that the precipitation in the United States part of the Red river valley had been such throughout the winter that if continued cold weather retarded the spring break-up there was an excellent chance of a serious flood condition arising. Premier Campbell told me that, armed with this information, which it was their duty to have, and which duty they carefully discharged, representatives of the Manitoba government were sent out through this flood area to acquaint the farmers and the municipal councils there individually with the prospect which they faced. He tells me that in that regard they experienced no difficulties whatever in convincing those who were affected of the sort of danger in which they were at that time. He said that in 1948 there had previously been such a lapse of time without floods that it was difficult to convince the farmers that there really was going to be a flood; with the memories of 1948 vividly in their minds on this occasion there was no difficulty whatever. Before I finish I should like to read the report of one of the men who went on that mission from the department of agriculture of Manitoba.

The result was, as Mr. Campbell pointed out, that a complete and extensive preparation against the dangers of this flood had been carefully arranged in advance. It had embraced first of all the local municipal councils and the local voluntary relief committee, then the local Red Cross unit, the provincial Red Cross organization, the railways, the army, the navy and the air force, and as one hon. gentleman has already said, the Royal Canadian Mounted Police, and then the provincial government itself, four of whose departments were particularly interested, namely, the one that I have already mentioned, the mines and resources department, through its water resources branch, the public works department, the health department and the agriculture department.

The hon. member for Winnipeg North Centre is a frank and eloquent exponent of the great virtues of government planning; and I must say that certainly in relation to a situation such as this a considerable measure of planning in advance pays maximum dividends, because a flood is peculiarly a disaster, preparations for which will tend to minimize loss and effect great property saving apart from any question of the saving of human life. Mr. Campbell tells me that the co-operation which the government of Manitoba has had from every one of these organizations I have mentioned leaves absolutely nothing to be desired. He said that largely, he thought, arising not only out of the excellence of the Manitoba citizens and these Manitoba organizations, but because they had a serious flood of this kind only two years ago, and knew what they were up against, they were able to deal with this matter in a manner in which, in relation to the heavy and serious circumstances with which they were faced, has been most efficient.

It is in that sense, I think, that the hon. member for Provencher (Mr. Jutras) left with us the impression, not that the situation was in hand—because you cannot face a flood of those proportions and ever pretend to have it under control, or ever have it contained or in hand—but that at least everything humanly possible was being done to meet the situation.

I said I should like to read, in support of what I have been saying, the report of the man who went out to warn the farmers and citizens in this area. His name is John Connor, and he is director of the livestock branch. This is what he says—

Mr. Ross (Souris): He is a good one, too.

Mr. Garson: Of course he is a good one; that is another point on which I agree with my hon. friend.

Mr. Knowles: The coalition still survives.

Mr. Garson: You would not think so if you had listened to the hon. member for Souris a moment ago.

Mr. Ross (Souris): He is not a politician, that man.

Mr. Garson: Perhaps my hon. friend will listen to this, then, if he thinks Mr. Connor is such a good chap. In his report Mr. Connor states:

> On April 20, Mr. W. S. Fraser, assistant director, extension service and the writer inspected the Red river area from Winnipeg to Emerson in an effort to secure firsthand information regarding the expected flood.

Note the phrase "expected flood".

> During the trip, several farmers were contacted as well as representatives of the R.C.M.P. elevator operators and the agricultural representative at Morris. Farmers generally appear to be actively protecting their livestock and seed and feed

supplies. Many instances were observed where granaries and supplies of fodder were removed to higher ground.

Now, remember, this is not during the flood. This is on April 20, some days in advance of the flood.

Every farmer contacted was fully acquainted with the potential danger from flooding and had already taken preventive measures to avoid unnecessary losses.

That is, from having read the newspapers and from having formed their own opinions, in many of these cases, even when the expert from the government went to speak to them, the farmers had already taken steps, showing the judgment and foresight that the people in that area possess.

Particular attention was paid to the feed situation should the expected flood materialize. It is true that fodder supplies have been relatively short in the area, and up to the present, several carloads of baled hay have been imported by local dealers. At only one point was any hay available on track, and we were advised that it was selling slowly.

Not indicating any great need.

In general, however, we are of the opinion that unless the flood crest is considerably higher than was the case in 1948—

And remember, this report is now several days old—

Mr. Ross (Souris): What date is it?

Mr. Garson:

—and consequently extends over a wider area, the farmers likely to be inundated have provided for the needs of their livestock.

At one point a number of box cars have been ordered and will be available to shelter animals should emergencies occur. This would appear to be a practical method of providing protection at relatively low cost. The Red river appeared to be moving much faster and seemed relatively higher from Morris north. This condition was due to the discharge into the river of creeks and coulees draining the area west of the river. Jams were in evidence from St. Adolphe to Morris, but blasting operations were under way to keep this section of the river moving freely. From St. Jean south, the winter ice had left it with the rising water but had not yet started to break up.

Considerable snow and surface water was in evidence from St. Jean to Emerson and will undoubtedly increase the flood danger in that area. An elevator operator at one point advised that grain, both feed and seed, for some fifteen farmers had been stored.

That is to say, they had held it on their farms and taken it to the elevator where, as every hon. member who is familiar with farming knows, it is elevated to overhead bins where it will be kept free from water damage, even if the lower part of the elevator itself is flooded.

Due to road conditions, deliveries were in the main made at night when the frost improved the road conditions.

This case is cited to illustrate the fact that farmers are thoroughly alive to the situation and by taking preventive measures, may do much to reduce potential losses. In conclusion, we were impressed with the fact that throughout the area residents, both rural and urban, were grimly expecting a flood with a potential higher crest than in 1948. However, with the experience gained that year vividly recalled by all residents, every possible effort was being taken to meet the expected development. Rural and urban councils, Red Cross units and other organizations, in our opinion, deserve credit for the leadership displayed. Their efforts, aided by the co-operation of individual residents, should do much to reduce the hardship and loss in the area.

[Mr. Garson.]

Mr. Ross (Souris): Would the minister mind giving us the names of the engineers to whom he referred in mines and resources, and the dates they had pointed out that these floods were likely to take place.

Mr. Garson: I am afraid I have not that information with me. They would be the water resources engineers of the department of mines and resources.

Mr. Ross (Souris): But there are several of them.

Mr. Garson: No, not in that branch of the department.

Mr. Ross (Souris): Mines and resources?

Mr. Garson: No. If my hon. friend will listen, the engineers of water levels branch of the department of mines and resources would be the ones. Now, as my hon. friend knows, if he stops to think of it, the water resources branch of the department of mines and resources is a relatively small branch with only one or two engineers—and he probably knows both of them.

Mr. Ross (Souris): Well, I did know three of them.

Mr. Garson: Yes, I will admit that, too.

Mr. Ross (Souris): I am just trying to single them out.

Mr. Garson: Now, throughout the whole of this matter I have told Premier Campbell that we were most anxious to help in any way we could. He speaks in the highest possible terms of the assistance which the different representatives in Manitoba of this government have given to him, of the help that has been given by the army and by the navy and by the air force in flying people, observers, to take note of the extent of the inundation, and of the amphibian vehicles in getting people who are marooned out to safe places.

He says, "I want you to know that there is no request that we have made which we have thought unreasonable. We have tried not to make unreasonable requests. We have tried to confine our requests to those which are reasonable, but none of our requests has been refused." He said, "The performance

of people affected, including municipal councils, voluntary relief committees, the Red Cross, the Royal Canadian Mounted Police, the army, the navy, the air force"—not to mention our own provincial government—"all the way through has been admirable, because they were ready and prepared." He said, "The people of Canada may rest assured, whatever losses they may have, whether of life, of limb or of property, are being, by these methods, kept to an absolute minimum."

Now, I made it very clear to Premier Campbell at all stages, as the minister in the government representing Manitoba, that I should be glad to get from him and convey to my colleagues for immediate consideration any representations or requests he might see fit to make under the circumstances.

Mr. Diefenbaker: Has the minister any estimate of the damage to date?

Mr. Garson: My hon. friend asks whether there is any estimate of the damage to date?

Mr. Diefenbaker: Yes.

Mr. Garson: I do not think there is. I should think it would be highly improbable that there could be because the damage can change from hour to hour, let alone from day to day.

Mr. Diefenbaker: But what is the latest estimate?

Mr. Garson: The point here is that until the present phase of the situation is over—and it is one of rescue of property and people, and attempt to deal with the physical aspect of the flood—it would be an act of gross negligence, in my opinion, on the part of the provincial government to be wasting its time arguing as to how the division of the costs should be made. Mr. Campbell has too much common sense to be carried away by any such suggestion as that of the hon. member for Souris (Mr. Ross) that we should put some engineers in an aeroplane, fly them around to look at the situation, and by the effervescence of their inner consciousness conjure up something to do about the immediate situation.

Mr. Ross (Souris): Again may I say that I did not make that statement. My proposal was to fly them in there and have them on the ground. I have had experience with engineers' reports.

Mr. Garson: I suggest to my hon. friend there is very little that the best of water level engineers can do at this particular moment to stop that flood.

Mr. Ross (Souris): They would have knowledge for the future.

Mr. Garson: Of course they would, but this is a very fine thing for some person to suggest from the comfort of his desk in the House of Commons to people out on the ground who are engaged in getting Mr. John Doe from a place where he is likely to be drowned to a place of safety. It seems to me that the wise, sensible and common-sense thing to do—and in this respect I am in complete agreement with the premier of Manitoba—is to concentrate, focus their full efforts on, and devote them to, the job in hand. The premier of that province knows enough about this government to realize that he does not need to adopt the attitude of a police court lawyer toward us by raising the question now as to what we are going to do or not going to do. He has the statement of the Prime Minister (Mr. St. Laurent), and he knows that in any event we will do the fair thing.

Mr. Ross (Souris): What about the flood victims of 1948?

Mr. Garson: We know enough about Mr. Campbell and his colleagues, and I will put it a little bit wider than the hon. member for Souris and include his Conservative colleagues in Manitoba in this statement, to know that they are men of good judgment, high principles and energy. We know that they will bring to us a statement, whatever it may be, that it is or is not a national emergency fortified, as I am sure it will be, with proper proof because the government of Manitoba does not say things unless it is prepared to prove them. I hope the hon. member for Souris does not want them ever to follow any other course. When we receive that representation, we shall know it is one that comes from honourable people, and that we can depend upon it.

Mr. Ross (Souris): I have never followed any other course in my twelve sessions here.

Mr. Garson: In the meantime—this in in reply to the hon. member for Provencher (Mr. Jutras)—I have said to Premier Campbell: "If you want me at any time I am prepared to come, but I do not want to go out and get under your feet when you are trying to do a job unless you want me".

Mr. Knowles: So you sent Les.

Mr. Bryce: You did not want to get your feet wet so you sent Les Mutch.

Mr. Garson: We did not send him. He was sufficiently concerned with his own constituency, which is very much affected, that he went on his own initiative. I wonder if the hon. member who made that interjection is implying any criticism of him for having done so.

Mr. Bryce: Not in the least.

Mr. Garson: I am glad to hear that. I said to Premier Campbell that when he was ready to discuss the aspect of this matter upon which the hon. member for Souris and the hon. member for Winnipeg North Centre (Mr. Knowles) have concentrated so much of their energy this afternoon, I would be glad to go out there and take along with me any federal officials that he might wish us to take.

Mr. Knowles: In order to keep the record clear, may I ask if you are referring now to the matter of financial assistance?

Mr. Garson: Pardon?

Mr. Knowles: In order to have the record clear, may I ask if you are now referring to the matter of financial assistance?

Mr. Garson: I am referring to the whole situation, which of course includes the question raised by my hon. friend. That is the situation at the present time. In reply to the suggestion made by the hon. member for Provencher, may I say that we will certainly have any person necessary go there. I told the premier that I did not want to force myself on him but that if there was anything I could do to help I would be delighted to leave on a moment's notice. I am in daily contact with him, and if there is any necessity for that I am sure he will advise me. In the meantime I suggest with great deference that the government of Manitoba is doing a first-class job in dealing with the situation in its present phase. I suggest that, so far as is humanly possible, it is doing everything that can be done, and that there will be plenty of time for the two governments to consider the whole matter when we know what the complete facts are. Some of the facts of the situation will not develop until possibly a week from today. No person will know the extent of the disaster until it is completed. The disaster is only partly complete now.

Mr. Diefenbaker: The amount has nothing to do with the principle.

Mr. Garson: My hon. friend says that the amount has nothing to do with the principle. I should have thought that, in judging whether or not a physical disaster was one of national scope, its extent would have to be one of the factors.

Mr. Diefenbaker: That has already been established.

Mr. Garson: I have nothing more to say other than that, I think, with the useful discussion that has taken place, we could very well let the matter rest in the hands of the government of Manitoba with the knowledge that when the time comes that they can properly divert their attention from the emergent matters at hand to discuss these other important questions we in the federal government will be more than happy to deal with them.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I should like to join the minister in congratulating the hon. member for Provencher (Mr. Jutras) on introducing this motion this afternoon. I should also like to congratulate the hon. member for Souris (Mr. Ross) and the hon. member for Winnipeg North Centre (Mr. Knowles) on having attempted to introduce similar motions this afternoon because I think the matter is one that should receive the attention of the government and the consideration of the house.

The minister has spoken of the floods of more recent times, but it seems to me this is a problem which has been before the country for many years. The hon. member for Provencher gave an outline of the disastrous floods that have occurred in the Red river valley for almost two centuries. Prior to 1812, when the Selkirk settlers went into the Red river valley, floods were not as disastrous as they have been subsequently. Those of us coming from other areas are very glad indeed to support the request of the province of Manitoba, if and when it is made, and of the members who have introduced the subject this afternoon, representing I believe the sentiments of the entire house, regardless of party, for the consideration of this matter as a national disaster.

When we look at the history of western Canada we find that there have been many occasions when national emergencies have occurred owing to disastrous conditions, and not only floods but drought, not only fire but grasshoppers. These are indeed disasters that are national in scope. I am not necessarily talking of the grasshopper menace this year in one of the provinces of Canada, though it may reach disastrous proportions. When this motion was moved I slipped into the library for a couple of books, which I have on my desk. One is volume VII of the Oxford Historical and Literary Studies. It deals with Lord Selkirk's work in Canada, and on page 173 I find a reference to the flood of 1826 and to a series of disasters that preceded it. We are told:

> The material development of the settlement during the closing years of the Selkirk regime was attended by a strange variety of calamities, both natural and artificial. In 1818, locusts—

We call them grasshoppers today.

> —swarmed upon the fields to the depth of several inches, and formed for three years a "sickening and destructive plague."

And well I remember, though I do not have it before me, reading the report made by Mr. Hind, I believe in 1858, after he was sent

here by the government of the United Kingdom to look over the Hudson bay lands in western Canada. He reported that near my hon. friend's home of Souris, and I recollect the date very well, on July 2 of that year the horses refused to go forward because the grasshoppers were so thick in the air that even the horses would not face them as they were swept along by the wind. And all of us from the west, I am sure, can remember the disastrous years between 1930 and 1940, when we had to face the same conditions. I have seen the sky clouded with grasshoppers in the middle of the day. The sun was shining, but you seemed to see a mist, and when you looked up you could see countless billions of grasshoppers in the air. On the same page of this volume is this reference to the flood of 1826.

Natural reverses culminated in the disastrous flood of 1826. During the preceding winter a phenomenally heavy fall of snow drove the buffalo from the vicinity; more than thirty of the plain-rangers perished on the prairies from exposure or starvation. In the spring the river, swollen by the melting snow, rose nine feet in a single day. A few days later the stream swept over the river banks and buried the settlement beneath several feet of icy water. The flood of 1826 was considered "an extinguisher to the hope of Red River ever retaining the name of a settlement." When the water subsided there was a migration to the United States of the "de Meurons" and a party of Swiss who had been induced in 1821 to settle in Assiniboia. For the third time within eleven years the Scottish settlers resolved to begin anew at Red river.

During this whole century and a quarter since the great flood of 1826, and before that, there have been recurrent disasters in the Red river valley and, indeed, in some other river valleys also. Some of us can remember seeing the Assiniboine in flood at Brandon, and not many years ago the Saskatchewan overflowed its banks south of Saskatoon and did a great deal of damage, though not as much as we are witnessing at the present time. Of course I am not forgetting the great flood in the Fraser river valley, which we hope will not be repeated this year though conditions are ripe for such a disaster.

I have another volume in my hand, the story of the women of the Red river valley, which contains a very interesting letter written on May 27, 1852, by Reverend John Black, who was the first Presbyterian minister to build a church in the valley. Up to that time services had been conducted by the Anglican church. It is interesting to note that this Presbyterian minister baptized the late Archbishop Matheson into the Presbyterian communion, though later he became the Anglican Archbishop of Rupert's Land.

Manitoba Flood

I think this letter is worthy of being placed on record. Reverend John Black wrote.

On Sabbath May ninth I preached for the last time in our temporary church and had to go part of the way to it in a canoe. On Monday the tenth the flight from the Scotch part of the settlement was general. In trying to reach a place of safety, men and women were seen plunging through the water driving and carrying, while the aged and little children were conveyed in carts drawn by oxen or horses. Most of the Scotch settlers had from one hundred to three hundred bushels of wheat in lofts which they kept from year to year in case of failure, and now for this there was much anxiety. The first night we encamped on the plain without wood or shelter, saving what we erected, amid the lowing of cattle and the bleating of sheep, and the roaring of calves, and the squealing of pigs, and the greeting of bairns. After three days we arrived here, on a beautiful woody ridge thirteen miles from our houses. A few families are with me here, but my congregation is scattered, so that, from extreme to extreme is, I suppose, more than thirty miles. Thus the waters prevailed and spread themselves over the cultivated lands, sweeping away everything loose and much that was thought fast. Houses, barns, byres, stacks of wheat, etc., were floating down thick and fast. Not a bridge is left on the road in all the flooded district. Sometimes the wind blew very strong, and acting on the lake-like expanse of waters, agitated them like a sea, and this was very destructive to the houses of the settlers. The breadth flooded in our part of the settlement is eight or nine miles, while the ordinary width of the river is not more than one hundred and fifty yards. I have crossed this wide expanse twice to visit our people on the east side. I have now three preaching stations instead of one—all camp meetings. The water began to fall about the 21st. We hope to get home again in about two weeks.

What I am driving at is that for over a century and a quarter, ever since the Red river valley was settled, there have been these threats of flood and at times great floods, and it seems to me that long ere this the governments of the two countries should have done something about it. South of the line, from Emerson all the way down to Crookston and as far as Grand Forks, they have floods similar to those in Manitoba. Over those years it seems to me there should have been more of an attempt to prevent this kind of disaster than has been made. Indeed, I think the time has come when this country should consider conservation generally in a very big way. This particular area, of course, is not affected by the conditions that affect the Fraser valley, because the headwaters of the Fraser river come from mountainsides denuded of trees. Once trees delayed the melting of the snow, and the valleys and river courses were deep enough and wide enough to carry out the water as the snow melted in the spring. The same is true of southern Ontario, in connection with the Thames, the Grand and so on. Once upon a time this province was covered with dense forests. The melting

of the snow was delayed, and the rivers were wide enough to carry off the waters as the snow melted.

I believe we have to tackle this problem of conservation, that we must tackle the problem of water. It is a strange thing that in some parts of our country floods at various times prevent cultivation, and also do irreparable damage to the land by carrying away the top soil, while in other parts of the country, such as the province of Saskatchewan, the great waters flowing down to the sea run wastefully through a part of the country often parched and desolate because of lack of water. The water is there to be utilized when we are prepared tc spend several hundred millions of dollars in order to conserve and use it for irrigation when that is necessary.

I remember when on February 21, 1938, I introduced into the house a resolution concerning the utilization of Saskatchewan river water for irrigation, it was stated that the cost was prohibitive. At that time an estimate had been given by an outstanding hydraulic engineer in this country of approximately $400 million to do a complete job right from the mountains. It would probably cost more now. When we are able to spend, because it is essential that we shall spend it, the sum of $420 million this year for defence —as I said, it is quite proper we should spend it—it seems strange that we should think an amount of $400 million to rehabilitate a whole countryside as prohibitive. So it is with this flood in the Red river valley. Whatever is necessary to protect the people of that fertile and productive region from such disasters in the future should be undertaken by our government. I also join with those who say that the people who have suffered from this very great disaster should receive compensation and assistance in order to rehabilitate their homes, their businesses and their farms. I would say the same thing about any part of the country in which a national disaster was caused by drought, by fire, by grasshoppers, by floods or by any other natural visitation of that description.

I rose to say that all of us would be glad to support the minister and the government in every step that can be undertaken to assist in this great disaster, hoping that as similar disasters arise through this or other causes the federal government will help the various provinces, as the federal parliament has often done from time to time in the past to relieve our distressed citizens from the impoverishment and difficulties subsequently experienced.

Mr. Fernand Viau (St. Boniface): I rise to take part in this debate because I intend to second the motion presented by my colleague the member for Provencher (Mr. Jutras). I have followed the day by day reports on the flood situation which have appeared in the press. With a large portion of Manitoba threatened by this flood I feel that I should support the motion of my colleague, and in so doing I declare that the flood situation in Manitoba is a national emergency. I join with the other members who have spoken, the member for Souris (Mr. Ross), the member for Winnipeg North Centre (Mr. Knowles), as well as other Manitoba representatives who feel that the flood situation in Manitoba is a national emergency.

The other day the mayor of Morris, Mayor Shewman, made a statement. He happens to be the Progressive Conservative member representing that constitutency in the provincial government. The deputy premier, who happens to be a Progressive Conservative representative in the provincial cabinet, agreed with the mayor's statement. I must admit that I have no sympathy for this coalition government, but nevertheless the people of Manitoba are looking for a statement from responsible authorities that will assure them of financial assistance. The premier of Manitoba has to date refused to give any assurance that assistance will be forthcoming. His reply constitutes a policy of wait and see. According to the press reports, which presumably are correct, he said that although the situation is serious it may be too early to say that, from the financial point of view, it constitutes a condition to be declared a national emergency.

As I said a moment ago, surely if this house feels it should take time to discuss this matter it has already been characterized as one of national emergency. It is quite true that the Minister of Justice (Mr. Garson) could not make a statement to this house this afternoon, because apparently he has not discussed the matter with his colleagues. Nevertheless, since the minister took part in this debate, that is proof that it is a national emergency. The situation as it is today is far worse than it was in 1948. I delayed my return after the Easter holiday not only to view the flood situation in Manitoba, because it had then reached the peak of 1948, but also to satisfy myself that arrangements had been made by the provincial government with the Department of National Defence to assure the transportation of sandbags or troops to areas in which they may be needed. I had experience in dealing with the problem in 1948, the first time I had had to deal with such a problem since I was elected as the federal representative. Arrangements had been made to co-ordinate the aid

given by the dominion, the provincial government and the Red Cross to the different municipalities. Provision was made to cope with the situation that had existed in 1948, but now the flood has gone beyond the 1948 boundaries. We find that today we have one of the largest rivers in the world in Manitoba, since the Red river is fourteen miles wide at some parts. It covers many fine agricultural areas, as well as many of our cities and towns such as Morris, Emerson and St. Jean, all situated in the constituency of Provencher.

If the river continues to rise it may overflow into the cities of St. Boniface and Winnipeg. I must admit that the fact it has not done so already in St. Boniface might be due to the wisdom of our city fathers in placing sewer gates along the river. These are the only sewer gates in the province at the moment, and they are stopping the overflow of the river into the lower part of the city. If the water level goes beyond the 1948 mark, it is admitted that the sewer gates will not be effective. Naturally when cities the size of St. Boniface and parts of Winnipeg are flooded, the demand for relief is great. I think arrangements should be made immediately, not only by the provincial authorities but also by the federal authorities, to provide immediate relief for those who may be affected in that area. I believe a statement from the responsible officials should go forward, even though the Minister of Justice has stated that he does not feel that a responsible or honest individual in public office should make a statement until he has received all the facts concerning the amount of money which will be needed to cover the damage in the province of Manitoba; but that is not a matter which need concern the house at the present time. It is the principle that is involved, and that was my stand when I made the statement to the press last Saturday that the situation in Manitoba was one of national emergency; and I feel that I am as responsible and as intelligent as any other member of this House of Commons.

As I have said, the situation is one of national emergency; and even though I am not able to assess immediately the damage which has been caused already or which will be caused in the coming week, the federal government, in my opinion, has a great responsibility with regard to floods in Manitoba. In my research I discovered that this is the first time that the flood situation in Manitoba has been debated in the House of Commons, although we have had other floods. The largest flood was in 1916 and there was one in 1897. It is quite true that the population in southern Manitoba then was not as thick as it is now; but this is the first time that this situation has been brought forward from the national viewpoint.

The public works that have been done in Manitoba and the attention given by the dominion government in the past have really been shameful, I would say as a result of my research into the amount of money which has been spent for public works in my own province of Manitoba; for example with respect to the damage done by the Red river or the Seine river which is another river that crosses the city of St. Boniface and as to which every year the provincial government of Manitoba receives a report, which is always shelved for future reference without any action being taken. The present Minister of Justice (Mr. Garson), who was then premier of the province, should know something about that matter also. Those are true statements.

We ought to be able to spend some money in Manitoba if we can spend money in other parts of the country running into millions of dollars, using as an excuse, "Well, it is due to navigation," and so on, when it might have been just simply to build retaining walls in areas which have been flooded. It is true that other cities and towns might be built close to a larger river than the Red river in the province of Manitoba. Nevertheless we are a progressive province in western Canada and right now I will make this statement. I have sought in the past, and I will continue to seek from the federal authorities, greater consideration with respect to our province in western Canada, such as is given chiefly to the two great provinces of Ontario and Quebec. At times I would say that beyond the boundaries of those two provinces Canada does not exist.

The situation is grave at the present time. Without prolonging my remarks, I would say that I expect the federal government will not only assure the provincial authorities that they are willing to give financial assistance at the present time with regard to this important problem but also that they will seek from those responsible, such as the international joint commission, a permanent solution to the problem. As the minister said a little while ago, it is quite true that it is impossible to seek complete control of the waters. Nobody is asking for that. But if in Manitoba federal aid had been given for the purpose of studying the problem of the Red river, as was done on the other side by the United States authorities, who have spent over $17 million up to the present time, it is possible that the situation in Manitoba in the Red river area would not be as bad as it is today.

Manitoba Flood

Mr. William Bryce (Selkirk): I want to support the motion made by the hon. member for Provencher (Mr. Jutras) for federal aid, financial and otherwise. I also want to join with the other Manitoba members in their remarks pertaining to floods. I should also like to extend my congratulations to the Red Cross and the various organizations that have contributed help in the area that has been so badly hit by the flood; I refer to the constituency of the hon. member for Provencher. His constituency has been harder hit than any other so far.

In my own constituency I have the Red river to contend with and also the Assiniboine river. I should like to assure you, Mr. Speaker, that conditions there are bad. If the Red river keeps rising and the Assiniboine river backs up, the banks there will not hold the water and you will find that thousands and thousands of acres will be inundated while the Assiniboine river will be making its way to the La Salle river. I think the Manitoba members will understand that situation fairly well, and that is what will really take place.

Mr. Knowles: It will be one big lake.

Mr. Bryce: I listened attentively to the Minister of Justice (Mr. Garson). I am pleased to learn that the Manitoba government benefited by their experiences of 1948 and are in some ways prepared for the flood when it comes. According to today's news, it is quite evident that the flood has not yet reached its peak at Winnipeg.

Some Manitoba members are no doubt getting letters from their constituents. I am in the position of having a constituent sitting right in the gallery here. The basement of his house in the flood area is filled with water. You can see what my worries are in this connection. It is bad enough to have people writing to you; but when you have people who can call on you and tell you about it, it is much worse. The west Kildonan district is flooded now. Basements are flooded.

I get many letters these days asking that the flood gates at St. Andrews and Lockport be opened. I have taken that matter up with the Minister of Public Works (Mr. Fournier) and he has assured me that if it is necessary to open these flood gates they will be opened, and that his engineers are right on the job and looking after matters. In fact, when I was home at Easter I spoke to Mr. Anderson, the district engineer. He understands the situation thoroughly. From past experience I know that we can depend on the Winnipeg staff—that is, the federal staff—to do everything they can.

The hon. member for Provencher raised an important question, namely, that there will

[Mr. Viau.]

be a great deal of wheat that will not be sown and the farmers will sow more oats and barley if the land ever gets dried up in time; and it is doubtful if it will. But assuming that it will, a great deal of oats and barley should be needed. The government should consider that matter and see to it that seed oats and barley are available so that these grains may be sown where wheat was intended to be sown.

There is no use my threshing old straw. The Manitoba members who have already spoken have covered the situation fairly well. I rose only to support them. This matter of floods affects my constituency greatly. I hope that effect will be given to what the Prime Minister (Mr. St. Laurent) said as reported at page 1981 of *Hansard*:

> Hon. members can be assured that it is the desire of the goverment to treat every part of the country in the same way. Should there ever be in any part of the country the sort of disaster there was in the Fraser river district, the people of that section would be entitled to expect that they would be treated in the same way as the residents of the Fraser river valley were treated.

I would rather have had from some minister of the crown or from the Prime Minister himself the assurance that financial aid will be given there, because it is going to be needed. The flood is going to be much worse than it was in 1948. While the intentions of the Minister of Justice are good, having regard to what he said, I would still support the hon. member for St. Boniface (Mr. Viau), who spoke prior to me, when he said that something definite should be done, because Winnipeg and the districts surrounding it are in serious condition.

Mr. Alistair Stewart (Winnipeg North): The member who has just spoken happens to be my member of parliament. I have complained to him, but he is really inaccurate when he points out that my basement is flooded. If it were only my basement I should be very happy indeed. This is the second time in two years we have been rendered homeless owing to these floods.

I listened to the Minister of Justice (Mr. Garson) with some attention. He gave an interesting speech. But he took over half an hour to say what the Prime Minister (Mr. St. Laurent) said the other day in a sentence, namely:

> We shall endeavour to ascertain what the situation is, and then determine what action, if any, should be taken.

Action is very necessary; but not action now from an engineering standpoint. Obviously that is too late. As the Minister of Justice said, the problem now is not an engineering problem; it is a matter of relief.

Of course I am not asking for relief for myself, but for those who are in far greater need of it.

The Minister of Justice spent about half an hour telling us what the Premier of Manitoba was doing. We in this house are not particularly interested in that. What we want to know is, what is the government of Canada going to do in the face of a national emergency? The Minister of Justice may disagree with the contention that there is a national emergency, but up to the present all members of parliament from Manitoba are pretty well united in the belief that this is an emergency of national proportions.

Of course these floods are not new. They have been recurring periodically on an average every eighteen years since recorded history began, but this year they happen to be the highest we have known since the year 1826, causing untold damage and devastation. In 1916 there was a similar situation, and the engineering department of the United States department of agriculture made a survey and also presented a report which I have not been able to get my hands on; nor do I know what has happened to it. I think, however, nothing was done with the report. However, in 1948, after the then serious flooding conditions had taken place, the matter was referred to the international joint commission, and we have been told that for two years they have been analysing the information which has been given to them. We have been told by the Minister of Justice that they have received four interim reports and the international joint commission is still analysing the information. When I told my wife that on Friday, after hearing it, she suggested that through the Secretary of State for External Affairs I should extend an invitation to the international joint commission to carry on their deliberations in our home and then they might come to a decision very much quicker than they would otherwise. After all, when you get water lapping around your knees it does help you to make up your mind. I am quite sure that she was speaking not only for herself but for every other woman in that part of Manitoba who has been driven out of her home.

We know the reason for these floods. Perhaps at the present time we have found no way of checking them. We do know that given a certain type of winter weather a flood is almost inevitable, that type of winter which is cold, which is dry, a winter in which there is not very much snow, a winter in which the ice on the rivers becomes very thick, and which is followed by a cold spring, where there is no run-off. Then finally we get a sudden thaw, and in a few weeks most precipitately we have the sort of condition that exists now.

The dangers to the health of the people are obvious. Here again I should like to pay my measure of tribute to the Red Cross for the really excellent work that it is doing, not only the Canadian Red Cross, but also the United States Red Cross. The United States and Canadian Red Cross societies are working in the closest co-operation with each other to alleviate human suffering. The municipalities of course are also doing their share in so far as the prevention of the spread of virulent diseases such as typhoid is concerned.

There has been some loss of life, which is a tragedy. There has also been a loss of property, which is not nearly so tragic, though for those who have suffered, it is a matter of great importance. There are a substantial number of people who have not yet recovered their financial feet from the floods of 1948, and now once again they find their homes, and perhaps their furniture, destroyed. These are the people for whom I think all of us speak. These are the people who need some assistance to rehabilitate themselves. One should notice that it is not they who are asking for help, but others in another position who are suggesting that this is a national disaster, and that it is the responsibility of the nation to come to the aid of those who need help.

In his remarks the Minister of Justice pointed out that nothing very much could be done in Canada alone. That I think is debatable. Here I should like to make a suggestion to the Minister of Public Works (Mr. Fournier), because according to Mr. W. D. Hurst, the city engineer of Winnipeg, there is something which might be done to alleviate the serious consequences of flooding. As one hon. member pointed out,—I think it was the hon. member for Provencher (Mr. Jutras)—it is not the first forty feet of the flood that does the damage, it is the last two or three feet. If we could find some way of getting an increased run-off, then we might reduce that last two or three feet of flood water. Here is a suggestion, as I said, which was given by Mr. Hurst, who is the head of the engineering department of the city of Winnipeg:

> From approximately Middlechurch to St. Andrews there exists in the bottom of the river, a submerged dam which is known as Lister's rapids. The extent of this dam is approximately 7 to 8 miles in length. Studies were made a number of years ago by the Manitoba drainage commission and others for the cutting of a channel through this submerged dam to pass approximately 75,000 cubic feet per second. At that time it was estimated that a million, more or less, cubic yards of rock would have to be removed in connection with the execution of this

project. To the best of my knowledge no recent estimates have been made but undoubtedly the cost would be very high.

The cost would be so high that it would be financially impossible for the city of Winnipeg to handle it by itself. Therefore, here is something which, after it is investigated and if it is found feasible, the Department of Public Works might perhaps undertake.

Mr. Hurst goes on to say:

According to the dominion government authorities, this submerged dam is the principal control feature of the river in this area.

That being so, I hope that when the estimates are before us the Minister of Public Works will be able to give us some information on it. Once again I should like to repeat that in my opinion this is a national disaster, and it is not good enough for the Minister of Justice to say: We have to wait and see what the situation is. Many people who are already seriously affected want to know now what is going to happen to them. After all, the fact that there may be some dissension in the government of Manitoba is no excuse for our doing nothing. It may be that the deputy premier of Manitoba thinks this is a national disaster and the federal parliament must assume some responsibility, but the premier of Manitoba is sitting on the fence still waiting and seeing. I do not think that the attitude of the premier of Manitoba has much to commend it, especially from the point of view of those who have suffered very much more than people like myself. I repeat, unquestionably the magnitude of the disaster is such that it is the responsibility of the parliament of Canada to come to the aid of those who are in such dire need of help.

Mr. H. W. Winkler (Lisgar): Last Friday night the mayor of Morris was quoted over the national hook-up as having said that nine-tenths of the ground in the town of Morris, Manitoba, was under water and that the water was steadily rising. My purpose in saying a few words this afternoon is to draw attention to the fact that for the last two weeks water has been coursing over an area considerably west of Morris, as well as in other parts, and in my constituency, which comes within four miles of Morris, lies a village called Rosenfeld. Rosenfeld was photographed from the air approximately ten or twelve days ago, and the pictures were carried in the Montreal, Toronto, and I believe in the local papers, showing that Rosenfeld then was completely under water. The water did not stay there very long. It has been gradually subsiding, and was what is known as a flash flood. Still farther south from Rosenfeld is a fairly large town, one larger than Emerson, which was also gripped in the flood. Everything was tied up there for several days.

Still farther south on the international border is the small village of Gretna, a name known to all of us as the point at which the pipe line will leave Canada and go into the United States, towards Superior. Gretna is right on the border. Then, immediately across the border in the United States, in the state of North Dakota, is the Pembina river, which runs in an almost easterly direction from the Pembina hills and flows into the Red river not far from Emerson.

At the same time that Rosenfeld was flooded, this river overflowed its banks. The waters came across the international border and into the village of Gretna which, as a result, was quite submerged. May I also add that an ancient riverbed of the Pembina river, which appears to have left the river about ten or twelve miles west of Gretna, was also filled with a great torrent of water. This forced down toward Altona and Rosenfeld and no doubt contributed greatly to the flood which occurred there.

The town of Morden, in which I live, was also visited by a flash flood. The fire whistle blew at eleven o'clock at night. Those who were able to do so had to wade waist deep into the river to rescue people whose homes were deep in water. Of course at that hour of the night, and in the darkness, they did not realize the extent of the flood or how long it would last. Fortunately it subsided on the following day.

The conditions prevailing in the constituency of Lisgar are those which are apt to prevail in almost any part of Manitoba before this is over. I will not go as far as the last speaker has gone by stating that at this stage it is a national disaster; but it may well be. I do not think that matter is of such great importance because whether it be a national disaster or not will not make much difference here today. We know that people who are in water, people in whose homes water flows in the front door and out the back, will consider it a national disaster. It is just as wet to the man who is up against it, whether he is the only one affected, or whether there are thousands.

I do not think that at this stage we need worry about the terminology used. I believe, however, that we should lose no time, and I am inclined to take the view that the international joint commission is not losing any time, to do those things which will correct the situation.

The hon. member for Provencher (Mr. Jutras) indicated that these floods have been

coming on at an average of one in eighteen years. Well, it just happens that the last two have come within two years of one another. This one is by far the worst, and I believe will no doubt spur on those who are interested in making plans which will cope with an adequate means to protect people in the future. I doubt whether dams and dikes will be able to protect the country from floods. In the west when we have the proper conditions of frost, when the land is frozen and on top of that we have, as we had this year, a very heavy and late snowfall, and then if in the late spring we have a succession of very warm days, there is bound to be flooding, no matter how many dams or dikes are built.

Nevertheless it is well known that there is ample room for dikes and dams. As an illustration, I think it would be a very simple matter to build a dam to cope with the Pembina river when on extreme occasions its waters flow over from the United States and wash into two or three of our small towns. So far as the Pembina river itself is concerned, with a deep valley running about half its length, while it might be extravagant it would be a comparatively simple matter for engineers to construct a dam which would be adequate to hold back a great deal of the early run-off.

I am sure these matters will be taken into consideration. While I believe it is necessary that this matter be stressed as greatly as possible, nevertheless I am confident that the authorities are taking the matter under consideration. I share the view of the hon. member for St. Boniface (Mr. Viau) in my disregard for the coalition government; at the same time I am confident that they are devoting themselves to the situation, and that the federal government will be called in as much and as extensively as is necessary.

Mr. J. S. Sinnott (Springfield): Mr. Speaker, in my view the hon. member for Provencher (Mr. Jutras) was quite justified in bringing this national disaster to the attention of the house this afternoon. Going home during the Easter vacation by motorcar, and traversing much of the northern country, one could easily realize that something of this nature might develop. For a thousand miles we travelled through snowbanks anywhere up to ten or twelve feet in depth. With the breaking of spring one might expect a disaster of this kind.

I join with the hon. member for Provencher in expressing thanks to the Red Cross, municipal officials, the provincial government and to everyone who has taken a hand in helping those who have suffered from this disaster. I myself had something to do with floods in 1942. One morning when I walked out to my barn I found fifty head of cattle in about three feet of water, and the old sow with her head sticking out and with all the young pigs floating around. I know something about disasters of this kind.

Farmers in that area have lost thousands of bushels of grain. Some of them thought they could save themselves by moving on to ground that was safe in 1948. They moved their seed and feed and cattle to these spots, only to find that the water surged up beyond the point of the 1948 flood. Therefore all their efforts were fruitless.

I suggest that the statement of the Prime Minister (Mr. St. Laurent) that the dominion government would consider this matter, and give it the attention which was given the disaster in British Columbia last year, should be sufficient assurance. I know the premier of Manitoba personally and, farmer that he is, I know this disaster will receive firsthand attention from his government.

I do not agree with some hon. members, however, when they say that the dominion government should put itself on the spot as to the amount to be made available, because immediately the dominion government indicates how much it is willing to give, or how much it will contribute, what will happen? Politics will enter into the question, and the very next day we will hear, "Not enough, not enough!"

In my view the dominion government has taken the right attitude in stating that when the damage is surveyed it will be in a position to say what amount of aid should be extended. Working in conjunction with the provincial government, I am sure these people who have suffered from the disaster will be looked after by both the provincial and dominion governments.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, there are one or two references I intend to make to this matter arising out of the remarks of the Minister of Justice (Mr. Garson). Everybody expected that he was going to make a pronouncement of importance conveying hope to the people affected by this flood that something tangible would be done. They will be disappointed with the statement he has made. After you remove from it the commendation he gave, and properly so, to the Red Cross and other relief agencies, to the rural municipalities, to the councils and to the government of Manitoba, and, with a little self-praise, to the government to which he belongs, when all these things were said and done and the constitutional issue touched on lightly by him, little in the nature of hope was held

out to the people affected by these floods. Certainly he had his answer in the statement of the hon. member for St. Boniface (Mr. Viau), who followed him, as to whether or not this was indeed a national disaster. Without equivocation that hon. member said that it indeed was, that there was no question whatsoever of the people of the area affected by the floods finding themselves in a position of being subject to a national disaster, and that they were deserving of the promise of direct action on the part of parliament and the country.

I listened with interest to what the hon. member for Rosetown-Biggar (Mr. Coldwell) said concerning floods that have taken place in that area throughout the years. I know something of the history of the Selkirk settlement and of the great flood that took place in the year 1826. It was not the first flood on the Red river by any means. One of the greatest, if not the greatest, that has ever taken place was in 1776. There were two between that time and 1826. As to the latter date, the remnants of the Scottish settlement established in the Red river area in 1812 found themselves in a position where hope was gone, but they held on after the flood and in large measure by their contribution retained that great area of our western plains for the British crown.

I was looking over the records of that time as dealt with in Bryce's "Lord Selkirk's Colonists". It is very interesting reading not only from the historical standpoint but also by reason of the fact that it generally indicates the length of time floods continued on the Red river once they commenced. At page 178 I find the following:

. . . a worse flood than that seen by the Selkirk settlers took place fifty years before, and there were two other floods between these two. Each year, according to the tale of the old settlers, the rivers of the prairies have been becoming wider by denudation, so that each flood tends to be less.

He says that contributory conditions are:

. . . a very heavy snowfall during the prairie winter, a late spring in which the river ice retains its hold, and a sudden period in the springtime of very hot weather, these being modified as the years go on by the ever-widening river channel.

The winter of 1825-26 was one of the most terrific ever known in the history of the Selkirk settlement.

He goes on to set out the difficulties during the winter before, and then he says:

As the Red river flows northward, the first thaw of spring is usually south of the American international boundary line at the headwaters of the river which divides Minnesota and Dakota. In these states the floods are always, in consequence, greater than they are in Manitoba. In this year—

He is speaking of the year 1826.

—the ice held very firm up to the end of April. On the second of May, the waters from above rose and lifted the ice which still held in a mass together some nine feet above the level of the day before. Indians and whites alike were alarmed. The water overflowed its banks, and still continued to rise at Fort Garry. The governor and his family were driven to the upper story of their residence in the fort, with the water ten feet deep below that.

The whole river bank for miles was a scene of confusion and terror. Every home was an alarming scene as the flood reached it.

One sees the picture today, an actual repetition of 1826.

The first thought was to save life. Amid the crying of the children, the lowing of cattle and the howling of dogs, parents sought out all their children to see them safely removed.

Then he goes on to say they moved the wheat and oats, what little furniture they possessed, and the necessary cooking utensils. Finally he proceeds to state that floods on the Red river historically from 1826 onward, and also in the three preceding ones, did not finally reach their maximum height until seventeen days after commencement. At one point on page 182 he says:

In seventeen days from the first rise, the water reached its height, . . .

He points out that after twenty further days the settlers were able with difficulty to reach their homes. I point out that historically in these floods, to which references are made in this monumental work by Dr. Bryce on the Selkirk settlement, in every case it took from seventeen to twenty days. If that be so, having regard to the terrific damage that has already taken place to which the minister made reference, surely there should be some clear expression to these people who today find themselves driven from their homes and fearful of the immediate prospect, in addition to the expression of commendation of the Red Cross and other relief agencies. The minister was careful to convey no word of hope that any compensation would be given to these people. He was careful to clothe his words of hope in language that can never be interpreted in the future as a promise of action on the part of the dominion as a whole. Coming from the province of Saskatchewan, where on more than one occasion the country as a whole has come to its assistance, I feel that something should be done.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Diefenbaker: Before we adjourned for dinner I had mentioned that this problem along the Red river was not new, but that for a period of two hundred years there had been cases of flooding where Winnipeg now

stands. I had referred to the Selkirk settlement. Many of those affected by this flood today are the descendants of the Selkirk settlers who in 1812, driven out of northern Ireland by the Duchess of Sutherland, found their way to Hudson bay, where they spent the winter of 1812, and thence by lake Winnipeg to the Red river. This situation and its posssibilities were revealed in 1946; and I feel that after that experience, which was but a repetition of what had happened many times before, the international joint commission should have taken speedy action.

This afternoon the Minister of Justice (Mr. Garson) took it upon himself to deal in a rather cavalier manner with this matter. At one time he clothed himself in the garment of sanctimoniousness and managed to imply that those who had discussed this matter had votes in mind. I am sure he would not have given that implication as far as the hon. member for Provencher (Mr. Jutras) was concerned, or as far as the hon. member for Souris (Mr. Ross) was concerned, or in reference to the hon. member for Winnipeg North Centre (Mr. Knowles). It is not a matter of votes; it is a matter of asking for action now, that when there is a national disaster this parliament should act. The minister says he does not know yet whether it is a national disaster. He did not advise the house just how great the damage must be before it becomes a national disaster. Where is the point of differentiation between a matter of local importance and a national disaster? When such a large area has been already threatened or flooded, when the people living in that area have requested help, whether or not those requests have come from the government of Manitoba, surely that is evidence that there is need for action to be taken now.

Can one conceive what will be the attitude of those people, driven from their homes, in many cases having lost everything, when tomorrow morning they get the message from the government of Canada, through the mouth of the Minister of Justice: "We gave you a warning; the farmers in that area were warned on April 20"? Does this mean that because they did not get out, they must suffer? The minister says they were warned. What is the meaning of those words? What is the difference whether or not they were warned; what bearing has that on whether it is a national disaster? I cannot understand the minister when he makes a statement like that. The answer coming from the mouth of the minister today is, "You were warned. I know not what your loss may be. It cannot be estimated at this time, and not being able to estimate it—"

Mr. Garson: On a point of privilege, Mr. Speaker, I just want to say that, as my hon. friend must know, I never said what he is attributing to me, nor did I say anything it would be possible to construe as the hon. member is construing my remarks.

Mr. Ross (Souris): *Hansard* will tell the story tomorrow.

Mr. Diefenbaker: I accept the minister's denial of the meaning I had ascribed to his remarks. *Hansard* will tell the story, as my hon. friend says.

Mr. Garson: Certainly it will.

Mr. Diefenbaker: It will tell the story of a speech by the Minister of Justice which, instead of giving hope to the people of Manitoba in the inundated area, consisted of circumlocution and denial of responsibility on the part of the government of Canada by its member from the province of Manitoba. Who speaks of votes? Who brought up the question of votes but the minister? No other hon. member has implied that the question of votes was in his mind. There was no such suggestion in the remarks of the hon. member for Provencher, whose speech was measured in its consideration and complete in its revelation of conditions. There was no such suggestion in the speech of the hon. member for Souris (Mr. Ross). Surely the minister should forget about votes and realize the situation that exists today in Manitoba, and give those people at least some hope that for the loss they have suffered through no fault or action of their own, they may be reimbursed. Certainly it cannot be the responsibility only of the province of Manitoba. As the minister has said, the cause of the disaster arises in large part outside Canada, and that is the best argument I can advance as to why, whether the loss be great or small, it is the sort of disaster that demands compensation from the people of Canada as a whole rather than from the province of Manitoba or the local authorities.

I do not want to dwell longer on the subject, Mr. Speaker. It is in matters of great importance such as this that parliament really shows at its best. Regardless of party, regardless of the province from which members come, all of us, as Canadians, want to do our best when a situation such as this arises. We can only hope that even yet the minister, rising again on a question of privilege, will be able to give hope to those people, rather than to talk about the subject of votes. Why votes? Why not hope for those people today who are asking it of the parliament of Canada? They are asking it through the member for Provencher (Mr. Jutras); the member for Souris (Mr. Ross);

the member for Winnipeg North Centre (Mr. Knowles); all of whom know the problem and all of whom are experienced; all of whom realize that the people in this part of Manitoba are asking not for evasion, not for circumlocution, but for a statement which will restore to them the hope that has been denied them as a result of this flood.

Coming from a neighbouring province, I know something of the situation in Manitoba. I know there is no one in my province who would not be happy to hear this evening that the government of Canada, through its responsible minister, the Minister of Justice, is going to do something to help those people out, rather than have that minister merely indulge in a speech of great length consisting of platitudes on the one hand and, on the other, praise for the social agencies that are entitled to praise. He spoke of everything but what the motion is requesting, namely, a promise of action from the parliament of Canada.

Mr. J. W. Noseworthy (York South): Mr. Speaker, the question under discussion, that of the Manitoba floods, is a subject of interest to all members in this house, and not merely those representing Manitoba constituencies. It is a matter of concern to the country at large. In the first place, I think it is a subject on which the members from all parties, and from every province, should inform the government that they are in favour of the support which has been requested for those who are suffering from these floods. I fail to see where the statement made by the Minister of Justice (Mr. Garson) gives that assurance. The minister made a valiant effort to defend the do-nothing policy of the government so far as this matter is concerned. As a matter of fact, he found that so little had been done by this government, he had to spend nine-tenths of his time stating what the premier of Manitoba had or had not done, whichever way one sees it.

The only assurance the minister gave the house was contained in a statement made by the Prime Minister (Mr. St. Laurent) as reported in *Hansard* on page 1981. That statement does not bind the government to a single thing. The Prime Minister said:

> Should there ever be in any part of the country the sort of disaster there was in the Fraser river district, the people of that section would be entitled to expect that they would be treated in the same way as the residents of the Fraser river valley were treated.

Anything the Prime Minister said with reference to this subject was qualified by that statement. Provided the people in the Red river district suffer a disaster as great as that suffered by the people in the Fraser valley, then they may expect government assistance.

[Mr. Diefenbaker.]

Failing to suffer to the extent the people of the Fraser valley suffered, there is no assurance whatever of any support. The statement by the Prime Minister reminds me of one he made in Toronto during the election campaign on the subject of unemployment. While there, a local reporter tried to pin him down as to what the government would do in the event of unemployment developing in any part of the country. After one or two questions the reporter got up to the point where he said, "Suppose there are 500,000 unemployed in the country, will the government take any action?" The Prime Minister replied, "Oh yes, if we get 500,000, certainly the government will take some action." Of course, we did not get 500,000.

Mr. Speaker: Order. I do not think the hon. member should develop that subject during this debate.

Mr. Noseworthy: You rule that I cannot finish that statement, then, Mr. Speaker? My point is that the statement by the Prime Minister as recorded in *Hansard* does not give any definite assurance that these people will receive any assistance. I think that is the point which the members of this house from every province, and from all parties, are attempting to impress upon the government. They believe that the Manitoba people should, under the circumstances, be given some definite assurance, here and now, that they will be assisted.

There is another reason why this question is important to those of us who live outside the province of Manitoba. This question of flood control is one that interests the people in all parts of Canada. There are few years in which some section of the country does not suffer a disaster. I believe the government should be required at this time to make some statement of policy regarding flood control. I go back to 1943, when there was a subcommittee of the committee on reconstruction appointed for the express purpose of studying this question of conservation, particularly the conservation of water and power resources. In its recommendations that committee states:

> Canada, fortunately, is free of devastating floods such as occur on the great river systems of the United States, China, and other countries. Damaging floods, however, affect various parts of the country periodically and property losses from such floods could be prevented or mitigated by the construction of flood-control works in many localities.

That is the statement of a committee set up by the federal government, a committee that undertook to show that the federal government had some responsibility in the matter. The assertion is made that property losses could be avoided if work were undertaken to

mitigate floods. Certain schemes were recommended by that committee for implementation immediately following the war to create post-war employment. The report states:

> That schemes be developed for the construction of flood control and flood prevention works on rivers and streams where damaging floods occur, with suitable provision being made for an equitable division of costs as between the dominion, the province, and the municipality concerned.

Mr. Speaker: Order. May I remind the house that there is before the house a motion to adjourn the house for the purpose of discussing a definite matter of urgent public importance, namely the disastrous flood conditions in the province of Manitoba. I do not think it is permissible to discuss questions with regard to flooding generally throughout Canada. The debate at this time must be directly relevant to the flood conditions that now exist in the province of Manitoba.

Mr. Noseworthy: Thank you, Mr. Speaker. I shall abide by your ruling and I shall conclude by asking that the government give us some definite assurance here and now that some effort is being made to assist the people in Manitoba; and furthermore, as to what plans the government have for control of the floods in that particular district.

Mr. Howard C. Green (Vancouver-Quadra): I should like to add a few words, Mr. Speaker, to the appeals that have been made by various members of the house for the government to declare that this flooding in Manitoba constitutes a national emergency.

The minister was not in the house two years ago when the serious flooding caused by the Fraser river took place. Two facts stood out in connection with that flooding. One was that a statement was made either by the then Prime Minister (Mr. King), or by the present Minister of Trade and Commerce (Mr. Howe) early in the flooding to the effect that it was not a national emergency. Those statements may have been made because of failure to appreciate the actual situation. I happened to be on the coast at the time, and one could just sense the feeling that swept over the lower mainland of British Columbia that the government was failing to realize the menace that faced those people. They really experienced a terrific let-down just from the fact that a statement had been made here in the house to the effect that the situation was not of a sufficiently disastrous nature to be considered a national emergency.

The second fact which stood out throughout that disaster was the feeling of appreciation that swept over that same lower mainland district when eastern Canada, and particularly the mayors of the two great cities of Montreal and Toronto, set up relief funds. As the Minister of Justice (Mr. Garson) knows, we in the west sometimes think we are not fully appreciated by the people in the east, and it does not take a great deal to build up a feeling of resentment. That has been so as long as I can remember. The very fact that the mayors of those two great eastern cities had opened subscription lists for the relief of the people on the west coast had a tremendous effect out in British Columbia. It created a feeling of good will which I have never seen equalled there. It was fine action taken by those mayors, and was fully appreciated.

The action of the members of the house here from all the other provinces was of the same kind. I think all members of the house from British Columbia at that time felt that the members from all other parts of Canada were with them. I suggest to the minister that that is the feeling here today with regard to Manitoba. Everyone in this house feels that our fellow Canadians in that old prairie province are having an extremely bad time; and I think it is the wish of everyone in this house that they should be given not only every encouragement but also all possible actual help.

If such action is taken by the government, it should be taken quickly. The more delay there is in acknowledging that this is a national emergency, the less the action will be appreciated by the people who are in trouble. I urge upon the minister that if he cannot make a statement tonight, he at least make one tomorrow to the effect that the government is recognizing this flooding as a national emergency, and that the dominion stands behind the provincial government and the people of the districts affected. If that is done, I am sure it will do a great deal to build up good feeling across this nation.

Mr. Solon E. Low (Peace River): I do not wish to delay the house in dealing with this matter at all, Mr. Speaker, but I think we should join just briefly with those who have spoken in assuring the government that Albertans also sympathize with the people of Manitoba in their present emergency.

I think only three things will be in the minds of the Canadian people tonight with regard to the disaster in Manitoba. The first of these of course is an assurance to the people of Manitoba that they sympathize with them in their extremity, and will be ready to do anything possible to alleviate their suffering. The second thing is that the people of Canada will expect the government to come to the assistance of those who lose heavily through the flooding. I share that feeling with the Canadian people; and on behalf of

those whom I represent in this house, I want to assure the government that we will support them in whatever they decide to do to assist the people of Manitoba who are affected.

I cannot share the feelings of some who have spoken, that this is a matter that should be finalized tonight. I think the government is taking a fairly level-headed view of the whole thing. They have said, "Let us see if this is a national emergency; and when the extent of the damage has been made known, we will take action". I have every confidence that they will take the same decent action they took in British Columbia two years ago. I just want to assure them, on behalf of this group, that we will support them in whatever they feel it is wise to do.

The third thing that I think would be in the minds of Canadians, as it is in mine, is this. We want to see the government speed preparations, just as fast as they possibly can, to prevent a repetition of this thing in the future, and to speed up negotiations with the friendly nation to the south of us. Let us get an agreement on diking, on making dams and diversions, and whatever is needed to see that the waters of the Red river are controlled. Having said these things, I shall not delay the house any further.

Mr. Daniel McIvor (Fort William): I was just going to ask a question. I thought the Minister of Justice (Mr. Garson) was quite clear in saying that he stands ready to co-operate with the premier of Manitoba, to take his direction from him and to do everything possible to help, as was done with regard to British Columbia. I thought that was quite clear.

Mr. H. W. Herridge (Kootenay West): I did not intend to take part in this debate; I know we have other business to get on with in the house; but since this debate has extended over the dinner recess I just want to make a few brief remarks. I trust I will be in order.

I rise to speak as a member representing a riding through which runs one of the greatest rivers in Canada, namely, the Columbia river. The residents along that river have suffered from floods on several occasions, and in 1948 severely—

Some hon. Members: Order.

Mr. Herridge: Pardon me, Mr. Speaker, I am in order. I am saying that, because it indicates my sympathy for the people who live along the Red river. I do not want to be ruled out of order by the amen chorus opposite. I rose, Mr. Speaker, because I know something about the problems that people suffer from flood damage.

[Mr. Low.]

As I said previously, many residents in my riding suffered extreme damage in 1948, and face very severe damage in the near future unless the weather changes in the basin of the Columbia in British Columbia. I am not going to repeat the arguments put forward by many hon. members today. I simply want to say that I support those hon. members who have made a plea for financial assistance and other assistance from the federal government to the people of Manitoba who need it.

Before resuming my seat I do want to say that in my opinion we are suffering these difficulties on these great rivers in Canada, such as the Fraser in 1948, the Columbia in 1948 and on the Red river today, because of the lack of an over-all conservation policy that includes flood control and erosion control.

When speaking this afternoon the hon. member for Lake Centre (Mr. Diefenbaker) gave a historical review of the situation on the Red river. It had severe floods in the eighteenth century, in the nineteenth century, and has had periodically until this day. Here we are in this age, with all the resources at our command, scientific, technical and human, and we allow these recurring floods and do very little about it so far as the development of an over-all plan is concerned.

I am of the opinion that this policy, which I would term a bits and bobs policy, is totally inadequate in this age. The program of assistance rendered by the federal government to the Fraser river people was well received and was excellent. If assistance is rendered to the people of the Red river it will be work well done. That, Mr. Speaker, is not a final solution to the question; it is just a bits and bobs approach to the question. So far as my own constituency is concerned —and I am going to stay in order; I am mentioning it because I am conversant with it—commencing in 1892 petitions and letters were sent to the federal government in connection with flood control and erosion control. Resolutions went forward from the legislative assembly of British Columbia and even letters from lieutenant governors, and today the problem is no closer to solution than—

Mr. Speaker: Order. I have ruled that the only flood conditions we can consider at this time are the flood conditions in Manitoba.

Mr. Herridge: I accept your ruling. I was just giving a parallel case to the Red river situation. I have gone into this question, Mr. Speaker, to some extent with the officials of the various departments, and it is one that seems to present constitutional difficulties.

When it comes to the question of flood control on a navigable river, I understand that

the situation is something like this. I should like the Minister of Justice (Mr. Garson) to correct me if my exposition of the constitutional position is not quite correct. This is as a stock rancher would put it anyway: that the water, in so far as its use is for navigation is concerned, is the property of the federal government. The water in so far as it is used for the production of power is the property of the provincial government. It is the kinetic energy in the water that produces the power; it is the kinetic energy in the water that produces the flood damage. Therefore I understand the federal government, from a constitutional point of view, is actually not responsible, because the kinetic energy in the water damages the property of the province, and the land is either provincially owned or belongs to the municipality which is the creature of the provincial government. I understand that is the constitutional position in regard to this situation. I am of the opinion, Mr. Speaker, that we require some up-to-date legislation that makes it quite clear-cut what we can do with respect to flood control and erosion control on these Canadian rivers that give difficulty from year to year. Therefore I think we require an over-all conservation plan for Canada that includes legislation for flood control and erosion control on the navigable rivers of Canada.

Mr. Speaker: I do not think the hon. member should develop that argument any further.

Mr. Herridge: Mr. Speaker, I was going to say, such as the Red river. I am just concluding, but I think that is necessary if we only read the history of previous civilizations such as on the Euphrates—

Mr. Speaker: Order. The hon. member must observe the rules of debate and confine his remarks to a discussion of the flood conditions in Manitoba.

Mr. Herridge: If we here learn our lesson we will not have this condition on the Red river. We have got to learn from the history of the past and use our modern knowledge, our modern techniques and our modern sciences to develop an over-all conservation plan to prevent future disasters of this sort in Canada.

Mr. J. M. Macdonnell (Greenwood): I just want to add a word. I agree, of course, with the things that have been said about the duty of the rest of the country to come to the assistance of Manitoba if this proves to be a disaster of the first magnitude, as it appears to be. The point I wish to make is just this. I wish to suggest there may be a very definite responsibility on the part of the dominion by reason of the fact that, so far as I can learn from a very fragmentary review, it is true, of the proceedings of the international waterways commission, it would look as if the Red river and the area have been greatly neglected. I have here the report of the first several years, and by going through the index I find that although many rivers in Canada that I know and a good many that I do not know are mentioned here and were evidently considered, I cannot find the name of the Red river in the index at all.

While I am not able to say that I have scrutinized all the reports since, I would suggest that there may be a very definite responsibility there by reason of what appears to have been the neglect to deal with this area which has been known to be a dangerous flood area for over a hundred years.

Mr. Garson: Before my hon. friend takes his seat, I wonder if he would give us the citation he is quoting from.

Mr. Macdonnell (Greenwood): The report of the international waterways commission from 1905 to 1913.

Mr. Garson: From 1905 to 1913?

Mr. Macdonnell (Greenwood): Yes.

Mr. Garson: Have you looked at any since?

Mr. Macdonnell (Greenwood): I said that I have not. I have only the early years. I have not examined them all.

Mr. Garson: It is important to know what my hon. friend is dealing with.

Mr. Macdonnell (Greenwood): If the Red river has been dealt with properly, at any rate it got a late start.

Mr. Garson: Is it because it was not mentioned between 1905 and 1913 that the hon. member wants us to assume that nothing has taken place since 1913?

Mr. Macdonnell (Greenwood): I did not say that at all. I said, here was a prima facie case that at any rate they had been very late in coming to deal with the Red river situation, because during the first eight years it was not mentioned though, as I say, every river of any consequence as a river seems to be in this. I can mention some that I know and many that I do not know. The Red river is not even mentioned. I was not suggesting I had proved the point. I think I made it perfectly clear that there was merely a prima facie case, indicated in the index at any rate, that in the early years of the commission the Red river seemed to have been neglected.

Mr. Garson: My hon. friend has not looked at it since.

Inquiries of the Ministry

Mr. Macdonnell (Greenwood): I say that. Does the minister want me to repeat it three or four times?

Mr. Speaker: Has the house completed its discussion of this subject?

Some hon. Members: Yes.

Mr. Rene N. Jutras (Provencher): Mr. Speaker, my purpose in moving to adjourn the house was to bring this matter respecting flood conditions in Manitoba to the attention of the house. Before withdrawing my motion I wish to thank Your Honour and to express my sincere gratitude to the minister and all hon. members who have spoken today. I can assure the house I am very pleased to note the unanimity of opinion expressed, and I am sure my people back home will appreciate it. With permission of the house, I withdraw my motion.

Mr. Speaker: Has the hon. member leave to withdraw?

Some hon. Members: Yes.

Motion withdrawn.

PUBLIC WORKS

UNEMPLOYMENT—SURVEY OF GOVERNMENT PROJECTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, before the orders of the day are called—indeed as a matter of privilege—may I put a question to the parliamentary assistant to the Minister of Resources and Development (Mr. Prudham). My question relates to an answer given by the parliamentary assistant in response to a set of questions I placed on the order paper as recorded at page 1569 of *Hansard*.

My questions had to do with a certain survey of government projects. Among other questions, I asked these two: When was this survey made, and what was the date of the report? The answer indicates that the survey was made between April and September, 1949. Then the answer goes on to indicate that I can find a summary of the results of the survey in the annual report of the department of reconstruction and supply for the fiscal year ended March 31, 1949.

Perhaps the house does not get the significance of those dates. However, as it appears in *Hansard* it indicates that the report was made before the survey was undertaken. Perhaps the hon. member would straighten it out now or tomorrow.

[Mr. Garson.]

Mr. George Prudham (Parliamentary Assistant to the Minister of Resources and Development): Mr. Speaker, I shall take the hon. member's question as a notice and give a full answer as soon as possible.

CRIMINAL CODE AMENDMENT

REPORTED PROVISION FOR COMPULSORY BLOOD TESTS OF INTOXICATED DRIVERS

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I should like to ask a question of the Minister of Justice having to do with a report in this evening's issue of the Ottawa *Journal* to the effect that consideration is being given by the Department of Justice to introducing amendments which would permit of compulsory blood tests being taken in respect of persons accused of driving motor vehicles while intoxicated.

It further states that submission is being made to the various provinces in this regard to the effect that loopholes now existing which deny convictions in many clear cases will thereby be avoided and convictions more readily obtained. Is the minister in a position to say whether the report is correct, and whether it is expected that legislation to this effect will be introduced, provided the provinces have no objection, at the present session of parliament?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, unfortunately I did not have any leisure in which to read newspapers this evening because I was reading copy from *Hansard* and having my dinner right up until eight o'clock.

However, I shall be glad to look at the report in question and bring down a statement tomorrow as to whether or not it is correct. I think offhand that it is not correct. However, I shall look at the report and make a statement concerning it tomorrow.

FLOOD CONDITIONS

QUESTION AS TO EXTENSION OF TIME FOR FILING INCOME TAX RETURNS

On the orders of the day:

Hon. Robert H. Winters (Acting Minister of National Revenue): Mr. Speaker, on Friday last the hon. member for Provencher (Mr. Jutras) asked for a statement as to what consideration would be given to the late filing of returns by those persons in the flooded area in Manitoba?

It would be impracticable for the Department of National Revenue to extend the filing time for returns due today. In accordance

with the established practice, however, the department will give full and sympathetic consideration to those individual cases where the taxpayer can establish that the late filing of his return is due to unfortunate circumstances entirely beyond his control.

BUSINESS OF THE HOUSE

PROCEDURE IN COMMITTEE ON PRIVATE BILLS

Mr. Speaker: I notice that there are three private bills on the order paper, and that they have been reported by the same committee. Under standing order 110 one motion can be made referring these bills to the committee of the whole house. Shall we follow that procedure?

Some hon. Members: Agreed.

PRIVATE BILLS

PURCHASE BY C.P.R. OF SHAWINIGAN FALLS TERMINAL RAILWAY CAPITAL STOCK

The house in committee on Bill No. 88, respecting the purchase by Canadian Pacific Railway Company of shares of the capital stock of the Shawinigan Falls Terminal Railway Company—Mr. Pinard—Mr. Beaudoin in the chair.

The Deputy Chairman: The house is in committee on three bills, the first of which is Bill No. 88, respecting the purchase by the Canadian Pacific Railway Company of shares of the capital stock of the Shawinigan Falls Terminal Company. Although the sponsor of this bill is not in his seat, I understand the bill was studied carefully in committee. As there is only one section and the preamble, I suggest that we proceed to deal with that section.

On section 1—*Purchase of capital stock.*

Mr. Smith (Calgary West): Mr. Speaker, I should like to speak to this bill for one moment. May I make it clear that I am in favour of the objective of the bill, but I would ask the Minister of Justice to clarify a point which bothers me.

In the house and in committee the sponsor of the bill told us that it was necessary because of a specific provision in the Railway Act forbidding the Canadian Pacific Railway to use its funds to make purchases of stock in other railway companies. He told us that the Canadian National Railways, which share equally in the purchase, had the right to do this.

I have not the bill in front of me, but when I did I made the suggestion to the sponsors of the bill that they should add just a word or two, and suggested the additional words should be, "notwithstanding anything contained in the Railway Act", and then that they should follow the exact language in the bill itself.

I bring this matter to the minister's attention because of certain points which occurred to me. Here we have a general statute of Canada forbidding the purchase of shares by the Canadian Pacific Railway in another railway company. Then we pass a private act giving the C.P.R. the right to purchase these shares. Let me make it very clear that I am in favour of what the bill seeks to do, namely, to let the railway make this purchase, because we have been assured that the purchase money will be provided equally by the C.P.R. and the C.N.R.

I can readily see that it would be advantageous to both railway companies to own this switching railway—because that is all it is—in other words to transfer cars from a plant, which is there, to either road, and from one road to the other. I am entirely in accord with the objective sought to be attained. My difficulty arises because of the words that I suggested, namely, "notwithstanding anything contained in the general act", and then proceeding with exactly the same words used in the bill. I am very far from being a great constitutional lawyer, but I have some difficulty in concluding that a private act of this kind can upset the general law without some specific reference to the general law. That is all I have to say, Mr. Chairman, and may I repeat that I am altogether in accord with the objective sought to be attained in the bill. I only raise the matter now so that I may be sure that we are attaining what the sponsors of the bill have in mind. I am quite familiar with the law concerning acts of parliament as to the time element and that sort of thing, but I still have some doubt whether, without those words or similar words, we will achieve the objective which the committee unanimously sought to attain.

Mr. St. Laurent: The hon. member knows that for a great many years, probably ever since confederation, parliament has been adopting acts for the relief of Mr. or Mrs. So and So, and has never found it necessary to say that it was "notwithstanding the provisions of the general law", which in the province of Quebec are to the effect that a marriage can only be dissolved by the death of one of the consorts. That has been going on for eighty-two years without its ever having been found necessary to use "notwithstanding".

Mr. Smith (Calgary West): With great respect, I am only speaking from what I have heard the sponsor say. The distinction in what the Prime Minister has just said lies in

the fact that we have a general act with a specific provision, section 170. If my memory serves me correctly, section 170 specifically forbids this sort of thing. I hope the Prime Minister will believe that I am in earnest. I am trying to be helpful. I can see no objection to adding the words I have suggested. In the committee we were in the position that there was no one there with authority to consent without communicating with other people. I merely raise the point, and I am not pressing it at all. I am merely raising it in order that we may be sure that some day someone will not come back to us and say: You dumb members of parliament on this committee passed something the legality of which is quite doubtful.

I also made the suggestion that at the end of clause 1 there should be this simple statement, "Not to exceed $125,000." We were told that was the amount which had been agreed upon. I did not press either of these points in the committee and I am not pressing them here. Nevertheless I feel that "not exceeding $125,000" might be a good five or six words to add because someone may come along years later and say: You members of the House of Commons on this committee passed this measure permitting the purchase without limiting the sum, and therefore you opened the door; even though you had an assurance, why did you not put it in the legislation? I shall not speak any further on the two points I raised in the committee.

Mr. St. Laurent: From memory I cannot give the hon. member the number of the section of the Quebec code. I am told that it is section 147 of the Railway Act, but the section of the Quebec code is in exactly the same position, unless and until parliament deals with it, as the section in the Railway Act. It is a pre-confederation statute which has never been interfered with, and the effect of which was continued by the British North America Act until competent legislative authority shall see fit to interfere with it.

Mr. Smith (Calgary West): The Prime Minister will admit that it would be safer to use the words I have suggested?

Mr. St. Laurent: I do not know that the drafters of the acts for the relief of all those who have come before parliament made such a serious mistake in omitting to put in "notwithstanding article so and so of the Quebec code".

Mr. Knowles: Mr. Chairman, on the point raised by the hon. member for Calgary West, if I may dare to get into this interesting discussion between two eminent lawyers, I wonder whether any consideration was given in the committee to a citation that I think has a bearing on the point, and which is found in Beauchesne at page 302 of his third edition. The citation is number 798, but anyone who looks at it will note that at the end there appears the notation "B.611". That means that Beauchesne took it from Bourinot, and for reasons that will be obvious in a moment I should like to read the paragraph from page 611 of Bourinot's fourth edition. In both cases private bills are under discussion by these noted authors on procedure. I am sure the hon. member for Calgary West will be interested in this if he has not seen it before. It reads:

> In cases when the committee have considered an amendment of the general law preferable to the passage of certain private bills, they have occasionally made a special report to that effect, and postponed the consideration of the bills to which it had reference to enable the house to take action in the matter (k); or they have expunged certain provisions and recommended an amendment of the general law in these respects (l).

The significance of the letters "k" and "l" is that they refer to footnotes which indicate the bills that illustrate the point. There are three or four referred to at the bottom of page 611 in Bourinot; mining companies bills, 1854-55; Joliette incorporation of 1863; De Lery gold mining company, 1865; Quebec corporation of 1865. Naturally I have not had time to look up these particular private bills, and it is not my purpose to prolong the argument, but it seems to me that the point raised by the hon. member for Calgary West was not far-fetched.

As regards the point suggested by the Prime Minister in reply as to acts for the relief of various people—in other words, divorce bills—I would point out that divorce is listed in section 91 of the British North America Act as one of the powers that parliament has. Therefore we are not exceeding the power of parliament when we pass divorce acts. I do not think the hon. member for Calgary West was far out in raising the point whether we should by a private act set aside the general law without at least making a note of the fact. In fact, Beauchesne and Bourinot would seem to suggest that sometimes there are occasions like this where it is preferable to amend the general law to achieve a purpose such as that of this bill.

Mr. Harkness: As indicated by the hon. member for Calgary West, the purchase of the Shawinigan Falls Terminal Railway Company is a joint enterprise by the Canadian Pacific Railway and the Canadian National Railways. According to the evidence presented to us in the committee it will entail an expenditure on the part of the

Canadian National Railways in the neighbourhood of $410,000. That is what it will amount to by the time they pay their share of the cost of purchasing this railway and new diesel engines and so on; and of course that $410,000 is money we in this house will have to vote in order to enable the Canadian National to complete its part in the purchase of this line. I should like to ask the Minister of Transport if he is quite satisfied that the Canadian National should undertake that expenditure of almost half a million dollars for these purposes.

Mr. Chevrier: It is not for me to say whether or not this is a proper expenditure to be made by the Canadian National Railways. That is generally done by the officers of the company, who bring their budget before the house committee on railways and shipping for approval. If the case is as the hon. member says, I presume that when the amount is put in the budget of the Canadian National it will come before the committee in the usual course some time next year. As far as the Department of Transport is concerned, it has some interest indirectly in such bills, but all I can say is that the legal officers of the department have looked at this bill and they have no objection to it.

Section agreed to.

Preamble agreed to.

Title agreed to.

Progress reported.

ALBERTA NATURAL GAS COMPANY

The house in committee on Bill No. 7, to incorporate Alberta Natural Gas Company—Mr. Maybank—Mr. Beaudoin in the chair.

On section 1—*Incorporation.*

Mr. Green: Mr. Speaker, this is the first occasion on which this bill has been before this committee since it was considered by the standing committee on railways, canals and telegraph lines, and I believe a word or two should be said about what took place in that committee. I have reference more particularly, or in the first place, to the attitude taken by the sponsor of this bill, the hon. member for Winnipeg North Centre.

Mr. Knowles: I rise to a point of order.

Some hon. Members: No, no.

Mr. Green: I must beg somebody's pardon.

Mr. Maybank: Don't apologize to me; apologize to the hon. member for Winnipeg North Centre.

Mr. Green: The sponsor of the bill is the hon. member for Winnipeg South Centre, who is also a parliamentary assistant. When this bill was before the house for consideration those of us who opposed it were told on numerous occasions by various supporters of the bill that we should let it go to committee so we could get the facts. Time and again that plea was made: Why don't you let this bill go to the committee so we can get the facts? Well, the bill finally went to the committee.

Then we found that the sponsor of the bill was a member of the committee, which in the first place I submit is quite an improper procedure. When an hon. member is sponsoring a private bill he should not be a member of the committee considering that bill. However the hon. member for Winnipeg South Centre was a member, and took a very active part in the work of the committee; in fact from the beginning he tried to dominate it and to assert authority over its workings. His position was doubly bad because of the fact that he is also a parliamentary assistant. It is about time the government decided just how far these parliamentary assistants can go.

The Deputy Chairman: Order. Discussion in committee must be strictly relevant to the item under consideration.

Mr. Green: This is very relevant, Mr. Chairman.

The Deputy Chairman: I do not think the hon. member is in order when he suggests that the government should look into the matter of the parliamentary assistants.

Mr. Green: Then let me go at it in this way. Let me point out to the committee what this parliamentary assistant undertook to do when the bill he was sponsoring was under consideration. Not only did he act in a most high-handed and arbitrary manner from the start, but on Thursday evening—

Mr. Riley: On a point of order, Mr. Chairman—

Mr. Green: On Thursday evening—

The Deputy Chairman: The hon. member for Saint John-Albert is raising a point of order.

Mr. Riley: The hon. member for Vancouver-Quadra has just accused one of the parliamentary assistants of acting in a high-handed and arbitrary manner before a committee. I was a member of that committee—

Mr. Green: That is not a point of order.

Mr. Riley: The parliamentary assistant of whom the hon. member speaks was not the chairman of that committee.

Mr. Green: There is no point of order in that.

Mr. Riley: Therefore he was not in a position to act in a high-handed or arbitrary manner.

Mr. Maybank: In view of the fact that it does not matter very much to me what the accusations of the hon. member are, and in view of the fact that it is not likely I shall bother to answer them, perhaps I should indicate to the committee my utter indifference to the charges he has made or may make.

Mr. Green: That is not a point of order, either, but that is typical of the hon. member's attitude in the committee. Now I see he is walking out; he cannot take any more.

The Deputy Chairman: Order.

Mr. Maybank: Mr. Chairman—

The Deputy Chairman: If the hon. member wishes to speak to a point of order he may do so.

Mr. Maybank: No, I really don't wish to speak at all. I think I will just let the hon. member go ahead.

The Deputy Chairman: I merely asked the hon. member for Vancouver-Quadra to be careful in the choice of his words. I know the hon. member does not want to use unparliamentary or offensive language, and of course when it comes to passing judgment on such expressions it is sometimes difficult to say whether they may be offensive to the hon. member to whom they are directed. Therefore, in order to preserve order in the committee, I merely ask the hon. member to be careful in his language.

Mr. Drew: Just so we may have some slight understanding of what this is about, Mr. Chairman, would you indicate what words could possibly have been regarded as offensive?

The Deputy Chairman: The words "high-handed and arbitrary manner"—

Some hon. Members: Oh, oh.

The Deputy Chairman: The words "high-handed and arbitrary manner" were applied to the hon. member for Winnipeg South Centre. I am not giving a ruling on this issue, but in Beauchesne there is a whole list of words that in the past have been ruled unparliamentary. When it comes to offensive words there is a rule of a general character which states that it depends upon the tone in which they are said, and so on. I think the hon. member for Vancouver-Quadra can make his point without risking the use of expressions which may be offensive.

Mr. Green: I assure you, Mr. Chairman, that I could describe the actions of the hon. member much better in unparliamentary language. However, I have no intention of breaking the rules of the house. The action which I think was most open to criticism was taken by this parliamentary assistant on Thursday evening, the second day the committee had been considering this bill. Just a few minutes before eleven, he rose in the committee and made this motion. I am quoting now from the proceedings of that evening:

> Mr. Maybank: Mr. Chairman, I wish to move that at the next sitting of this committee we shall commence to consider the bill, clause by clause—and that is the end of the motion.

He continued as follows:

> That is to say that at the conclusion of the sitting of the moment we will not proceed any further with the taking of evidence. It is not my intention to express any argument with regard to these things—I feel there may be other people who will wish to argue about them. My own view is that we have had a masterly presentation of triviality long enough.

That was after we had only partially heard the evidence of Mr. Dixon, who is to be president of this Alberta Natural Gas Company. The day before we had started hearing the evidence of Mr. Connolly, the solicitor for the applicants, when on a motion by the member for Cariboo which was supported by all the government members on the committee—

Mr. Goode: On a point of order, Mr. Chairman, the hon. member has just made a statement to this house which I am sure he will want to correct.

Mr. Green: Yes, the member for Burnaby-Richmond voted with us. The motion was forced through, and it had the effect of stopping the cross-examination of Mr. Connolly. We had to go on with the evidence of Mr. Dixon. Then the second day, when we were only partially through with the cross-examination of Mr. Dixon, this motion that there could be no cross-examination of witnesses the following day was brought in by the parliamentary assistant. The motion was introduced just before the committee was to adjourn at eleven o'clock. Finally, an additional hour on Friday morning was granted, during which we could cross-examine Mr. Dixon. The effect of all this was that the cross-examination of Mr. Dixon was not completed. Members who had wished to question him were unable to do so. We were unable to question Mr. Connolly further, and no other witnesses could be called. In effect, this was a closure plan initiated in that committee by this parliamentary assistant.

If he was speaking for the government, and I believe he was, then that is one matter, and the government must accept responsibility for this procedure which, Mr. Chairman, can only be described as high-handed

and unparliamentary. On the other hand, if he was not acting for the government, then the Prime Minister should call for his resignation.

Mr. St. Laurent: The Prime Minister will do no such thing, Mr. Chairman.

Mr. Green: The Prime Minister has done exactly what I expected him to do, just the same as he lost his temper ten days ago when this question was before the house.

Mr. St. Laurent: There are occasions when the hon. member for Vancouver-Quadra does things over which almost anyone would lose his temper if he took him at all seriously.

Some hon. Members: Hear, hear.

Mr. Drew: The trained seals again.

Mr. Green: Before this is over, I expect the Prime Minister will be challenging me to another duel as he did the other day.

Mr. St. Laurent: The hon. member is as serious as usual. He knows that this is absolutely farcical.

Mr. Green: That is the whole point; this issue is deadly serious for the people of British Columbia, and it is too bad that the Prime Minister continues to evade his responsibility with regard to the issue.

Mr. St. Laurent: I have already told the hon. member I will not evade anything he can suggest, unless he does make the ridiculous suggestion of the duel; but if there is anything else he can suggest, any other form of contest, I shall be quite prepared to meet him at any time.

Mr. Green: Some day we may be able to arrange this contest, Mr. Chairman. I repeat, whether or not the Prime Minister takes it seriously, the actions of this parliamentary assistant were such that the Prime Minister should call for his resignation. There is no reason why, in this parliament, the opposition should be subjected to petty tyranny of the kind that was practised in that committee on railways, canals and telegraph lines. This is just another illustration of the frame of mind into which this government has fallen, the frame of mind that Canada is now a one-party state.

The Deputy Chairman: Order. I should like to ask the hon. member to speak to clause 1 of the bill.

Mr. Pouliot: You are the contrary evidence.

Mr. Green: I should like to say one word about another member, Mr. Chairman. While he was not a member of the committee, the member for Vancouver Centre was a busy beaver in the sittings of that committee. I think his position is open to question. A year ago he was one of the applicants for incorporation of the Alberta Natural Gas Company, and his name appeared on the bill. He and the parliamentary assistant were the two men trying to force this bill through the committee. Personally, I do not see how his actions in this regard can be squared with his responsibility as the member for Vancouver Centre. However, that is his responsibility. The feeling in his riding is entirely the other way, but he must decide what his attitude is to be. I particularly draw it to the attention of the house, because I do not think it is a proper attitude, under these conditions, for a member of this house to take.

The actions of one other supporter of the government should be kept in mind in connection with the consideration of this bill, and they are the actions of the right hon. Minister of Trade and Commerce. Less than a month ago the minister wrote a letter to the Vancouver city council about this pipe line. The council had unanimously passed a resolution —there are Liberals as well as Conservatives on that council, in fact, more Liberals than Conservatives—on March 27 which read as follows:

> That the city council advise the federal government of its opinion that the routing of a gas pipe line through British Columbia is imperative for the industrial development of the regional area through Vancouver.

In reply to a letter containing that resolution, the Minister of Trade and Commerce wrote a letter containing this paragraph:

> While it is alleged that the Alberta Natural Gas Company, if incorporated, proposes to build a pipe line through the United States, this is not the information that the company has given to me.

Hon. members will notice that he refers only to the Alberta Natural Gas Company, which obviously has been his favourite throughout this row. I continue quoting from the letter:

> My information is that the new company is proposing to build this line through all-Canadian territory and to serve all Vancouver points before taking the line into the United States.

Now, that is a startling statement, and if the Minister of Trade and Commerce would rise in his place and say that is government policy, or if the Prime Minister would do that, then there would be no further opposition to either this bill or the one to incorporate Prairie Transmission Lines Limited.

Mr. Knowles: What was the date of that letter?

Mr. Green: This letter was dated April 4, 1950. In the committee we had the opportunity, or I had the opportunity, of cross-examining Mr. Dixon who, as I said before,

is to be the president of this company and is also the president of the parent company known as the Northwest Natural Gas Company. I asked him this question:

Will you give any pledge to this committee that your company, if it is incorporated, will build the Canada-first line, build a main line through Canada to the west coast?

A. No.

And it was not said with any hesitation by Mr. Dixon. I continued:

Q. Mr. Dixon, that is clear-cut and we are glad to have that statement but I ask you if in your talks with the Right Hon. Mr. Howe, the Minister of Trade and Commerce, that is the stand you have taken?

A. Just exactly; I have not said anything to Mr. Howe I have not said to you.

Q. Mr. Howe wrote a letter to the Vancouver city council on April 4 of this year, in which he said:

And then I quoted the paragraph above and continued:

Now, you dispute that, the terms of that letter by Mr. Howe?

A. I told him just what I told you, that we had the five routes, that we would build any line we would be permitted to build; that the board of transport commissioners told us that we would be permitted to build. If the board of transport commissioners tells us to build the all-Canadian route that will be the line that will be built.

Of course that is an entirely different story from the story given by the Minister of Trade and Commerce to the city of Vancouver.

Q. Did you assure Mr. Howe that you were going to build an all-Canadian route?

A. I wish we could have assured him that we were going to build any line.

Q. So you did not assure him you were going to build an all-Canadian route?

A. Well, we said we would build an all-Canadian route if the board of transport commissioners selected it. He was perfectly correct in his statement.

Q. If you were ordered.

A. If we were ordered.

That shows that either the one or the other of these men was making misrepresentations. I am afraid there is not any doubt that the Minister of Trade and Commerce, throughout that paragraph in that letter to the city council of Vancouver, was setting out or making statements which were not in accordance with the facts.

In considering this bill in committee of the whole house, now that it is back from the standing committee on railways, canals and telegraph lines, I suggest that we should bear in mind the fact of this action, which appears to have been one of misrepresentation in so far as the statements made to the city of Vancouver were concerned.

There is one other fact I wish to bring out in connection with this first clause of the bill and it is this. This clause lists the applicants for incorporation. Before the bill went to the committee on railways, canals and telegraph lines, I said that the spider in this web was Morgan, Stanley and Company of New York; that they were the power behind the throne, that they were the people financing this whole plan and that they in effect had and would have control of the company.

I would point out that we were able to find out in the committee that one of the applicants for incorporation, Mr. Cortelyou Ladd Simonson of the city of New York in the state of New York, investment banker, is actually one of the partners of Morgan, Stanley and Company. He is the only representative of a financial house who is listed among the applicants for incorporation and he is to sit on this board representing that financial house.

I will have something further to say with regard to this set-up as we proceed with the discussion, but the fact was made clear by Mr. Dixon in the committee that Mr. Simonson is a partner of Morgan, Stanley and Company and that he is to sit on the board of this new company representing that financial house.

Mr. Prudham: For many months past we have listened to hour upon hour of talk about the Alberta pipe lines. I did not previously have anything to say because I did not want to be a party to a filibuster which in effect was, in my opinion, designed to create a monopoly for one company which was fortunate enough to have been granted a charter by a previous parliament. That pipe line company was given a charter to build gas pipe lines within and without Canada. In justice, this parliament cannot do otherwise than grant the same privilege to the more recent applicants.

Although a great deal of the time of this house was wasted during the time allotted to private bills for the last several months, I would not say that the time was entirely wasted because many good arguments were advanced to prove that Canadian needs should be served first. I believe that everyone in this house is of the opinion that Canadian needs should be served first. Coming from Alberta, and from Edmonton which is the centre of the new oil and gas development, I am greatly concerned about the disposition of our immense resources. I have lived in Alberta for the last twenty years. Many times during that interval I have been prompted to think that many people look upon Alberta as a good place in which to sell farm machinery and other manufactured products, to sell life insurance and to lend money at high rates of interest, with little thought for the welfare of that part of the country. Alberta has been discriminated against for years, in my opinion, by adverse

freight rates. Alberta is at the apex of the freight rates structure. These comparative high freight rates have always been a deterrent to the development of Alberta. Now, by a turn of good fortune, great natural resources have been discovered, the great natural resources of gas and oil, and they are now being developed. These resources are being developed by private enterprise. Many local and foreign companies are now engaged in the fascinating search for oil. A potential billion barrels of oil have now been proven and at the present rate of exploration it is expected that by 1951 two billion barrels of potential oil production will have been proven. That is enough to serve Canada's needs for the next twenty years. Potential gas reserves are now measured not by millions but by trillions of cubic feet.

Alberta, and especially Edmonton, is the most talked of district on the continent. These great resources of oil and gas have been placed there by Providence, and the people of Alberta cannot take any special credit for them. Indeed it is fortunate that we have a measure of control over these resources.

The province of Alberta also has about one-twentieth of the world's known coal reserves. These coal reserves are as yet only partially developed. My information, however, is that 10,000 people in Alberta depend directly on the coal industry for their livelihood. This coal is marketed largely outside our province. When the Alberta government is considering the granting of permits for the export of gas, I hope that they carefully consider the effect of the export of this gas on our markets for Alberta coal.

The people of the lower mainland of British Columbia are extremely anxious to get Alberta gas. Pipe lines to convey that gas to the Pacific coast and elsewhere will cost hundreds of millions of dollars. It is my opinion that governments and industry should carefully consider the advisability of establishing industries in Alberta at the source of the cheap power rather than spending millions of dollars on expensive pipe lines to serve industries in other parts of Canada and the United States.

Especially with the constant threat of a third world war, both this country and the United States should plan to disperse heavy industry so that our continent cannot be knocked out by a surprise attack on the heavily concentrated industrial areas of the east and west.

If we can believe press reports, Russia long ago recognized the value of this strategy and began to establish industries deep in the interior—away from the reach of potential invaders. Our own country and the United States, in my opinion, would be well advised to do the same.

Where in Canada have we a better place to establish branch factories and new industries than in Alberta? That province is protected on the west by the Rocky mountains and on the north by strong United States defences and the wastes of the Arctic. However, despite the fact that Alberta has been fortunate enough to fall heir to a measure of control over these great resources, we must share these resources with the rest of Canada, and with the United States, with our Canadian neighbours first, and secondly with our United States neighbours, and only after Alberta's needs and Canadian needs are adequately protected.

During the past week a committee of this house heard evidence from experts representing companies desiring charters to construct pipe lines for Alberta gas to our own Pacific coast and to the United States northwest. The people of Vancouver and the lower mainland are exceedingly anxious to be served by these pipe lines, before any surplus is exported to the United States. I think that we are all agreed that this is highly desirable. The company which has already received the charter has explored different routes and has now unofficially stated that they favour the building of a pipe line through the Yellowhead pass to the Pacific coast, with extensions to the United States northwest and to the south. Other companies, who are seeking charters, have indicated several proposed routes mostly in United States territory, with one proposed Canadian route, which parallels the international boundary line. Neither of the new companies now seeking a charter has yet made a survey of the Yellowhead pass, but both companies have indicated that they will do so before applying for licence from the Alberta government and the board of transport commissioners.

Evidence given would indicate that the United States routes for the pipe line are somewhat cheaper to construct but by following those routes United States cities will be served by the pipe line first with Vancouver and the lower mainland on the end of the line. From the evidence presented, the Yellowhead route is approximately the same length from the gas fields of the Edmonton district to Vancouver, as the alternate route in the south of the province is from the southern fields of Alberta. The Yellowhead route has many advantages over the southern route. Some of the advantages of this pass are that it is well within Canadian territory and there would be no international complications until the needs of our Canadian Pacific

coast have been served. The Yellowhead pass is the most accessible pass in the Canadian Rockies. It is the pass used by the Canadian National Railways. On that route are beautiful Jasper Park, Mount Robson, Kamloops and populous Fraser valley. That route taps the great oil and gas fields of the Edmonton district. It is midway in central Alberta. It will be accessible and within reasonable distance from the potential gas and oil fields of the Peace river country. Any gas line that is built to the Pacific coast or southward will have to depend on a grid collection system, connecting all Alberta gas fields. This route has the advantage of connecting to this grid system about midway of the proven and potential gas-producing areas.

Evidence given by an expert representing one company seeking a charter last week was to the effect that a railway paralleling the gas line would contribute to cheaper construction cost, and also that a highway paralleling the gas line would greatly reduce costs. Evidence was also given that the pipe line must be served by an all-year highway of some kind, for construction as well as year-round maintenance.

The Yellowhead route has comparatively light snowfall and although a highway has not been built through that pass, there is a trail which has been used by automobiles which could be developed into a first-class highway cheaper than any other pass through mountains. The people of central and northern Alberta, Saskatchewan and Manitoba are very anxious to have an all-weather road to the Pacific coast. The construction of a gas line through this pass would of necessity require a highway which would serve the people of the prairie provinces and make possible a year-round highway for access to the Pacific coast.

I am very doubtful if year-round traffic will be possible over the other highway routes which are now contemplated through the mountains. Even though the cost of a pipe line through the Yellowhead pass should be proven higher than a pipe line on United States soil, we must weigh carefully the advantages of the all-Canadian route. One reason these advantages cannot be overlooked is the fact that, if and when the great cities of the United States northwest are served by Alberta gas, a highway paralleling a gas line from Canada will have a great attraction to tourists.

The Yellowhead route would bring United States tourists a long way into Canada. The further they come into Canada the more United States dollars they spend in Canada. I am convinced that a highway paralleling a gas line throughout the Yellowhead pass would soon earn enough tourist revenue to offset any difference in original cost. The Yellowhead route has the additional tourist attraction of our string of national parks, which would then be accessible, Mount Robson, Jasper, Banff, Elk Island, Prince Albert national park and Riding Mountain national park in Manitoba.

The construction cost of the pipe line through this route should be less when accompanied by a highway. The cost of the construction of a highway should be less because of the construction of a pipe line. Both of these projects would be aided by the fact that the railway parallels the route. If the people of the Pacific coast really want Alberta gas before it is exported to the United States, I am surprised that they did not give these possibilities and advantages more consideration when locating the British Columbia section of the trans-Canada highway. Evidence produced shows that it would be rather difficult to serve Trail and certain towns in the southern interior of British Columbia by the Yellowhead route. My opinion is that, if and when the Alberta reserves of gas warrant extensive export to the United States, a return pipe-line loop should be built—possibly through United States territory—connecting with the southern end of the Alberta grid system.

This would be an insurance against interruption of service for all users, which would have a tendency to greatly increase the volume of sales. In the early days of gas service in Edmonton, when the city was depending on one line, the service was interrupted by breaks with disastrous results in cold weather which discouraged people from converting from coal to gas for many years, until duplicate lines were installed and confidence restored.

I know the argument will be used that connecting the southern loop of this system would cost money. I am sure that industries and domestic users would be willing to pay more for their gas to be adequately insured against interruptions of service.

If and when this becomes an accomplished fact, the people of Trail and southern British Columbia can be served by stub lines. The committee was told by certain witnesses that the city of Trail has a potential market for almost as much gas as Vancouver. However, the evidence was also given that if Trail is served by gas the gas will largely replace fuel oil. Alberta has a surplus of oil for which we must find markets. Why be in a hurry to destroy our markets for oil?

Mr. Chairman, many speakers argue that, although one company has already received

a charter to build pipe lines within and without Canada without restriction, we should not perpetuate that mistake by granting the same privilege to others.

The Alberta government has a measure of control over the export of gas, as also have the board of transport commissioners and the Department of Trade and Commerce. I am sure that Canadian interests will be well protected, and besides these controls which are vested in our governments and government corporations there is in my opinion an overwhelming public opinion which demands that our Canadian needs be met first.

During the last month it has been rather puzzling to me to understand why the Progressive Conservative party, who are the so-called proponents of private enterprise, have been party to a filibuster which would create a monopoly for one company, and also that the C.C.F., who are supposedly in favour of public enterprise, have given their support to a filibuster which, if successful, would create a monopoly for that private company.

I am supporting this bill because I do not believe parliament should be a party to creating a monopoly for one company.

Mr. Herridge: Mr. Chairman, I wish to make a few remarks on section 1 of this bill to incorporate Alberta Natural Gas Company. I might say before proceeding that this debate occurs on a date replete with historical significance. I think this day might be termed British Columbia's May day protest day. I do not offer any apology for continuing to protest concerning this and other bills, until they are amended so that, whichever company gets the charter, we will have an all-Canadian route to Vancouver, from one direction or the other.

The hon. member for Vancouver-Quadra nearly thirty-six years ago stood side by side with me facing a common enemy who was determined, if he could, to impose his will upon us. Today we stand side by side facing opponents who are determined to impose their will upon us if they can, and to impose their will upon the great majority of the people in British Columbia. Thirty-six years ago, Mr. Chairman, we won our objective. I am of the opinion that today, or in the days to come, so far as this bill is concerned—or these other bills—history will repeat itself. In fact, I am firmly convinced of that because, in the first instance, we were standing for democratic principles, and in this instance we represent the majority of opinions and views of the people of British Columbia.

As a member of the committee on railways, canals and telegraph lines—and I think in future it will possibly add pipe lines—I wish to support the remarks of the hon. member for Vancouver-Quadra with respect to the manner of carrying on, shall I say, the business of that committee. During the lengthy debate that has occurred in recent months in connection with these pipe line bills we have been told repeatedly by members on the government side of the house that we should cease carrying on debate and should allow the bills to go to committee, and that in committee we could ask any questions we wished.

I recall that, from previous experience, I had always found when we got a bill into committee we were on the skids—and we jolly soon found we were on the skids when we got into that committee. I think the remarks of the hon. member for Vancouver-Quadra, when he objected to the, shall I say, impropriety of the sponsor of the bill being a member of the committee, were quite correct. His opposition was correctly taken, and I support him in it. I am of opinion that no fair member of the committee who has time to look at the question in an objective way could say that the sponsor of the bill acted according to democratic principles in that committee.

I would say without doubt, and I think that privately at least some government members on the committee would support me, that the hon. member for Winnipeg South Centre dominated that committee, and as sponsor of the bill steered the action of the committee through the majority behind him. I take strong exception to that, and support the remarks of the hon. member for Vancouver-Quadra in that respect.

The committee had sat only a few hours when there was a mention of saving time. The first witness, Mr. Connolly, was asked to be allowed to stand down so that Mr. Dixon could be questioned, because it was thought that that would save time. We have the evidence of the technical expert—and I must give credit to Mr. Dixon as an excellent witness; I am not blaming the representatives of the natural gas company before the committee at all, for anything. They were courteous and answered the questions very well indeed.

It was suggested however that we ask Mr. Dixon the questions first so as to save duplication, and the assurance was given the committee that if members wished to ask Mr. Connolly the questions later, he would be recalled to the stand. In that instance the promise was not carried out. Mr. Dixon was questioned and, when the questioning was completed so far as Mr. Dixon was concerned, several members of the committee

who had waited two days for an opportunity to question Mr. Connolly on legal matters were denied their opportunity.

On Thursday the sponsor of the bill, the hon. member for Winnipeg South Centre, moved what was in effect a motion of closure, to shorten the questioning of the witnesses. That closure motion was carried, because of the majority on the committee behind the sponsor of the bill. As a result of that motion carrying, several members on the committee did not have the opportunity to ask either Mr. Dixon or Mr. Connolly important questions they had wished to ask.

I put it to the committee this way: these bills represent an investment in Canadian natural resources to the extent of between $75 million and $100 million, before the projects are completed. This committee of the House of Commons, dealing with a subject that may affect the whole course of the development of British Columbia for generations to come, because of the government majority thereon, was permitted to spend not more than twelve hours discussing the bill and asking questions on an important matter representing an investment of from $75 million to $100 million in Canadian natural resources. I ask the house to look at this matter in all fairness, and particularly members from eastern Canada who may be under the impression that we are carrying on a filibuster out of pure cussedness, shall I say. We are trying to present the point of view of the people of British Columbia. The members of the committee who are presenting that point of view are firmly of the opinion that we did not have an opportunity to perform our duties properly in the committee because of the government majority supporting the tactics of the hon. member for Winnipeg South Centre, the sponsor of the bill.

I oppose the bill on several grounds. I am not going to go into all of them tonight. I oppose it first of all, and I have no hesitation in doing so, on the basis of the principle that I believe the use of Canadian natural resources should be first assured to the Canadian people. I think that is a reasonable proposition and one that members of all parties should support. From the evidence given to the committee I am quite convinced that the use of these Canadian natural resources has not been assured to Canadian people first. For instance, when Mr. Dixon, the very capable engineer representing this company, was questioned as to the amount allocated to the large city of Vancouver, he replied in effect that the amount being allocated was less than the present domestic use of gas in the city of Calgary. No one can say that is an adequate provision for Canadian requirements in the city of Vancouver, and without any possibility of expansion in the future. The gentleman in question said that the pipe line program was being designed to operate in the first five years at about 75 per cent capacity. Therefore on that basis if the people of Vancouver are going to have less gas than the city of Calgary is using at the present time for domestic purposes, and are then going to get some proportion of the remaining 25 per cent that it is expected will be developed, you can see that the final provision for the city of Vancouver is not more than the present use in the city of Calgary.

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

Mr. Herridge: Certainly.

Mr. Blackmore: What reason did Mr. Dixon give for the estimate that Vancouver would only receive so small an amount of gas? There is enough gas, is there not? What is he intending to do with all the gas available if Vancouver is not to obtain its share?

Mr. Herridge: I cannot remember the exact reason given at the time.

Mr. Harkness: No reason was given.

Mr. Herridge: I do not remember the reason. I was going to say that quite an unusual procedure was followed in connection with these measures. Members of the committee had their first meeting on Tuesday, the 25th of April last, and this is Monday, May 1. To date we have only had the printed evidence of the first meeting of the committee and that has to do with the C.P.R. bill. We have not had an opportunity to study the evidence as to the measure now before us and to be quite certain of the answers to questions. I think we should have had that evidence on this most important matter if we want to be fair. I do not want to be unfair to Mr. Dixon, Mr. Connolly, or any member of the committee. Therefore I am not able to say exactly what answer was given, because I do not remember it. Generally speaking, however, I remember that Canada was to receive about 25 per cent of the total gas to be carried through the pipe line.

Mr. Green: Twenty per cent.

Mr. Herridge: Twenty per cent of the total amount of gas going through the pipe line, and 80 per cent was to go to the United States. Only yesterday I was reading of the measures that are being taken in the United States to conserve natural gas because they believe that in from 25 to 30 years the supply of natural gas in a number of areas in that country will be exhausted. We must realize

what an important part we are playing in the industrial development not only of British Columbia but of all Canada when we realize that possibly the greatest reserves of natural gas on the North American continent are in western Canada. Yet here we are at the present time failing to provide for the needs of Canada now and in the future.

When Mr. Dixon gave his evidence to the committee he brought to their attention five routes and provided the committee with a plan of what is known as route A, which is an all-Canadian route proceeding just north of the international boundary from Pincher Creek in Alberta, where the grid system ends, to Vancouver on the Pacific coast.. Then there was route B, which enters the United States; route C, which provides for a loop into the United States between Kingsgate and Trail; route D, which is partially in the United States and partially in Canada; and route E, which also provides another loop into the United States, the remainder of the line being in Canada.

In listening carefully to the evidence I was struck by this point. I am firmly convinced, and I think other members of the committee are, that the promoters of this company were considerably influenced by the debate in this house. I am firmly of the opinion that in the original instance the United States route was the only one being considered. I think all the plans were drafted with that in mind. My impression from listening to the evidence is that exact, close and careful calculations had all taken place in connection with route B, the United States route. That is the one that the company had in mind to build. As a result of the opposition expressed by members of parliament to a partly United States route, and the obvious opposition expressed in the legislature of British Columbia, by newspapers and public bodies of all types, I believe the promoters of the company said something like this: Well now, we will have to go through the motions; we will have to provide five routes to present to these people and we will tell them that we will buld the route we are ordered to build.

I am not convinced, Mr. Chairman, that the situation is what it appears to be on the surface. I had a very strong feeling, and I think other members of the committee also had it, that the company was going through the motions of presenting five routes and then saying: We will build the route that the board of transport commissioners orders us to build. I am of the opinion that when the board of transport commissioners come to deal with a matter of this importance they should not only accept evidence presented by engineers of this or other companies. This question is big enough for this government to have some check made by its own engineers. I can well understand that before the transport board these other gentlemen naturally will want to support their case, and they will give evidence that will make it appear that the poor consumer in Vancouver is going to suffer if we have an all-Canadian route. They will make sure the costs appear high, naturally. They will not balance one factor against another.

In committee we were told that the cost to the consumers in Vancouver might be increased by from $750,000 to $1 million a year if an all-Canadian route were followed. When you deal with a figure like that you should know the number of people who are going to use gas, and you should weigh the other factors that are going to benefit Canada, such as the large maintenance staff, the extra taxes that will be paid to both the provincial and federal governments, and so on. Then we in the committee felt there should be some regulatory power. This company is obtaining a federal charter, and the public utilities commission of British Columbia cannot regulate its tariffs and tolls. I believe all members of the committee in opposition to these bills believed we should have some federal regulation which would make certain that the consumers of British Columbia got their gas at a reasonable and proper cost; and I am quite sure those members of the committee who take the point of view I am expressing tonight will agree that no figures were presented with respect to the cost of any route, or as to the cost to the consumer in Vancouver, which would indicate that by proper management and proper government action we could not have an all-Canadian route which would supply gas to the coastal area at reasonable and proper rates.

I was also impressed with the fact that the plans of this company were based on a United States route, leaving Canada at Kingsgate, rather than an all-Canadian route. Another point struck me in connection with the correspondence that was read during Mr. Dixon's evidence. He produced letters to show that the company intended to purchase Canadian material, steel and other products. There was one letter from a steel company in Canada replying to a letter from the pipe line company asking if the steel company could provide steel for four hundred miles of pipe. They replied giving a general quotation per ton. The point I make in that respect is that the fact the pipe line company asked for a bid on four hundred miles of pipe indicated to me that this steel was required for the pipe necessary to carry the line from Alberta

to Kingsgate. That to me makes it plain that their plans were based on the United States route. In addition I noticed that all those letters were of recent date, late March, early April, late April. They had been gathered together quickly, to show us that these people were really interested in Canada, and that they were going to buy all these materials here. None of the letters had been written last session. These people put on a very good show of giving us an opportunity to choose one of five routes, and in trying to convince us that naturally they were going to buy Canadian materials and, if so ordered, would build the route in Canada.

I am still opposed to these bills unless they are amended. I want to quote the remarks of the Minister of Trade and Commerce in reply to questions asked by the hon. member for Yorkton and the hon. member for Fraser Valley, to show the lack of definition and, shall I say, the doubt in our minds. At page 791 of *Hansard* for March 16, 1950, I find this:

Mr. A. C. Stewart (Yorkton): I should like to direct the following questions to the Minister of Trade and Commerce. Have any representations been made to him by the C.C.F. government of Saskatchewan with regard to protecting Saskatchewan so far as export of oil and gas from Alberta is concerned? What is the policy of the minister with regard to the granting of permits for pipe lines from Alberta to the United States?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The answer to the first question is that I have no knowledge of any representations from the province of Saskatchewan in that connection. In answer to the second question I would say that I spoke on this subject at the last session of parliament, and pointed out that the Electricity and Fluid Exportation Act is designed to protect Canadian consumers. It is necessary under the act for the Minister of Trade and Commerce to give a certificate to the effect that the present and foreseeable future needs of Canada are protected before any exports of electricity or gas are permitted. It has been suggested frequently in the current debate that gas will be sent to the United States from the pipe line before the pipe line reaches Vancouver. I stated last session that that would not be permitted. I know from discussions with the sponsors of the pipe line that it is not proposed to undertake any such export.

The hon. member for Fraser Valley was not present at the time the question was asked, and wanted the matter clarified. So on March 17, at page 850 of *Hansard*, he asked this question:

I should like to direct a question to the Minister of Trade and Commerce. I was not in the house yesterday when the orders of the day were called, but I note that the minister is reported on page 792 of *Hansard* as having said:

"It has been suggested frequently in the current debate that gas will be sent to the United States from the pipe line before the pipe line reaches Vancouver. I stated last session that that would not be permitted. I know from discussions with the sponsors of the pipe line that it is not proposed to undertake any such export."

[Mr. Herridge.]

Am I to understand from that statement that no export permit will be granted other than through an all-Canadian route?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Several members of the house have given information that they obtained from the principals behind the bill, and I have given information that I obtained from the principals behind the bill. I might say that I cannot understand the unnatural fear that certain hon. members have of letting these men come before a committee of the house where members of the house could find out what they intend to do.

Mr. Cruickshank: I take it the minister is not going to answer my question. Is that correct?

We must bear in mind those statements together with the letter read this evening by the hon. member for Vancouver-Quadra, written by the Minister of Trade and Commerce to the clerk of the corporation of Vancouver, in which it was emphatically stated that the sponsors of the bill had assured the minister that the line was to proceed on Canadian soil, or words to that effect. In view of those apparently definite statements and in view of the answers given by Mr. Dixon on behalf of the company, as outlined by the hon. member for Vancouver-Quadra, would any average person say we were unreasonable in doubting that in reality one of five or six routes is going to be chosen and that all these routes are being treated on an absolutely equal basis at the present time? The members of the committee who are in opposition to these bills are definitely of the opinion that certain interests are very much in favour of that route going through the United States; and we are also of the opinion that the examination before the committee and the proceedings of the committee were just a form of going through the motions. Because we believe that and because we are determined to do the best we can to protect the rights of the people of British Columbia, as well as the rights of the Canadian people, we are determined to oppose these bills, unless they are amended so that those rights are protected now and in the future.

Mr. Sinclair: I should like to say a few words on this bill at this time. In view of the fact that I am a parliamentary assistant, I should state that I am not speaking either for or against the government, but I am speaking as the member for Coast-Capilano on a private bill. I have only spoken once in two years in this pipe-line debate, because I did not want it inferred in any way that I was taking part in what certainly appeared to be a filibuster, since the same information was repeated again and again.

When I spoke a year ago, I said that I would vote for these bills on second reading so that we could have the actual facts obtained before the standing committee, not

secondhand facts through members of this house who were in favour of or opposed to these bills. I wanted the facts obtained from professional men who had the technical qualifications to be listened to with respect, with regard to both the supply of gas and the feasibility of a Canadian route. Almost everyone who has spoken in the house has given some sort of lip service to an all-Canadian route, the only question being whether or not such a route is economically feasible. I must say that having finally got these bills to this committee, I was extremely disappointed in its proceedings. I was not a member of the committee, but I would have liked to be. For part of the time I was busy on budget matters, but I did attend committee meetings as often as I could, as members who were there will recall. I also followed the proceedings of the committee in the press.

It was my hope that some accurate technical information would be obtained from people other than those putting forward their own case for acquisition of a charter. I was hoping especially that someone would have called the employee of this government who is the greatest expert on oil and gas in Canada, Dr. Hume of the geological survey branch. A year ago I attended a convention of the Canadian Institute of Mining and Metallurgy in Vancouver, that is the professional body of the mining men and geologists in Canada. The second day of the convention was given over to a discussion of Alberta oil. All the geologists of the large oil companies and other experts were there, but Dr. Hume was chosen as the keynote speaker. In that gathering of men he was introduced as the man who knew most about gas and oil in Canada. It is a great pity that the committee did not have the benefit of Dr. Hume's opinions as they were expressed that day as to the tremendous amount of gas which was available, and other factors in connection with gas and oil development.

I was sorry, too, that the original pipeline company, the Westcoast Transmission Company, who at various times have alleged that an all-Canadian route is economically feasible, were not called back before that committee to refute the evidence of those two other companies who put forward their plea. According to the two companies the all-Canadian route, while perhaps physically possible, was not economically practical. There are two or three quite obvious reasons why we should not perhaps worry about the arguments put forward by these other two companies to show that such a route is impractical. To begin with the engineering point of view, a railroad, a road, and a pipe line are difficult to build in that order. A railroad, of course, with its gradual curves and grades, is a most difficult engineering feat. A road, with its sharper curves and sharper grades, is less difficult, and a pipe line can be built almost anywhere, since the grades and curves are not of the same importance and little right of way is needed.

Across British Columbia, which has been described again and again as a wilderness of mountains, we have today three transcontinental rail lines, and two main road systems. No insurmountable difficulty has been found in building those, and it is a much more difficult engineering feat to take them through these mountains than a pipe line.

Then, this question of cost was raised by Mr. Dixon. He said that the Canadian route along southern British Columbia through the Crowsnest pass was feasible from the engineering point of view, but it would cost $17 million more. He just picked that figure out of the air, and there was no substantiation given for it. He tried to leave the impression that the mountains of British Columbia suddenly stop at the international boundary, and that Washington is one great plain south of the boundary across which construction would be easy. He actually used that expression, "crossing the great plain of central Washington". Hon. members have crossed Washington in their cars, and know that there is no great plain in the centre of Washington. The same mountain ranges that traverse British Columbia also cut across Washington. As a matter of fact, two out of the three passes in Washington are higher than the passes on the Canadian side.

Then this man went on to say that this $17 million would result in an extra cost of about a million dollars a year to the consumer in Vancouver. I also heard him give evidence to the effect that Vancouver would take only one-sixth of the gas. An extra million for one-sixth means an extra six million to be paid to finance an extra capital investment of $17 million. These figures make it easy to understand their eagerness to get into this pipe line business, when you can get an annual return of $6 million on a capital investment of $17 million.

I must confess that throughout this pipe line debate, right from the time it entered the house first, my greatest disappointment has been the attitude of the Canadian Pacific and Canadian National Railways. My colleague the member for Comox-Alberni mentioned this a year ago when he voted against a pipe line bill. These two companies, after all, are the backbone of the transportation industry in Canada. They are in rail transportation, in air transportation, in deep sea and coastal shipping, and today they are even in the truck and bus transportation business. The

best business these two companies have ever enjoyed out of Edmonton has been the transportation of oil in the last two or three years, yet they stand idly aside and see this transportation business taken from them by these American firms. To me, it is an amazing situation. These railways have the transportation know-how; they have the rights of way; they have the bridges and tunnels which could easily carry these lines. The same section crews that maintain a railway could easily maintain the pipe line right of way, yet these companies have decided to stand idly by. I do not think the Canadian Pacific would have stood aside in the days of Shaughnessy, Smith, Van Horne. If they had applied for charters, we would not be worrying about an all-Canadian route across this country, or expressing concern about developing Canada in the Canadian pattern for they were Canadians interested in developing Canada. If that view had been adopted at the time the Canadian Pacific railway was built, we would not have this railroad across Canada today. It would have been more economical to take our wheat from Manitoba south to the American lines which were already built, and then across to the seaboard in that manner. It was because the government of that day thought it was in the interest of Canada to have a Canadian route that the Canadian Pacific was built across this barren land in northern Ontario to maintain and help Canadian development, even though the cost was far greater than building a route through to the United States.

A week or ten days ago the Minister of Resources and Development announced with pride that six of the provinces had signed an agreement which would bring the trans-Canada highway a step closer to reality. We are going to spend $300 million on the building of that highway. When I say "we", I mean the people of Canada, federally and provincially, are going to spend $300 million to have this Canadian route across the country. If the argument of some of these pipe line companies were to be heeded, it would be much cheaper for the people of Canada to continue taking their cars down to the United States, crossing the United States, and then going back up to Vancouver rather than spend $300 million on this road. We decided, however, to have proper road facilities across the country as a factor in Canadian development.

I should like to use another example. Suppose that this gas, instead of being in Alberta, were in Montana, and the problem were the same, to get the gas down to Vancouver, Portland, Seattle and Tacoma, where the market is. Is anyone in this house so naïve as to think that, under any circumstances, the people of the United States, even if it were half the cost to build through Canada, would loop a line up into Alberta and through British Columbia in that way? National pride and national development would insist that they build the line in the United States if they possibly could. That is exactly what they would do. We have already seen an example of that in the state of Washington just to the south of our province where President Roosevelt and the administrations both before him and since him have poured countless millions into the development of that area in order to give them power, the cheapest hydro power in the world out of the greatest hydro development in the world, Grand Coulee dam. That development of cheap power in that country has made that country bloom and blossom. They have the cheapest power in America and have built industry and agriculture on that power. If to that cheap power is now added cheap gas, our province of British Columbia which, after all, is their natural competitor, will certainly lag far behind. They may have cheap power, but we should have the full benefit of this cheap gas, which is a Canadian resource.

Some of the eastern members think this is a feud between the Conservatives, the C.C.F. and the government, although this is a private bill. Let me give hon. members from Ontario an illustration which may help them understand the real position. Suppose gas were found at Windsor and that it was decided to be desirable to get it to Toronto for industrial use in that area. How many Ontario members would there be who would think the route should be built the American way, south of Lake Erie? Even if the route to the south of Lake Erie, through the states and up to Toronto, was a little bit cheaper, how many Ontario members would think the route should be built in that way? You would naturally demand to have developed within Canada this Canadian resource, with of course the obvious addendum that if we had a surplus, then it should be exported to the United States.

The most significant thing, however, in Mr. Dixon's evidence was this. I think we can all dismiss the other company which I noticed in the papers was described as an also-ran. As I say, the most significant thing was the fact that although Mr. Dixon mentioned in an offhand way the southern Canadian routes, and described how economically impossible they were, he said his company had never surveyed what any engineer, looking back in railway history, would have said was the most obvious route, the

Yellowhead route. He said he had been through there on the train. He did promise the hon. member for Edmonton West that they would make another survey before they applied to the board of transport commissioners, which would involve buying another train ticket, a ticket from Edmonton to Vancouver.

But I was greatly interested in this Yellowhead route for two reasons. First of all, the Yellowhead route will tap the centre of the present known Alberta gas fields. We have our gas fields in the south of Alberta. We have the Pincher Creek area and Medicine Hat and those fields there in the central area. We have this great new expanding field of the Edmonton area already as big as the proven southern fields, and there are further new fields going to be discovered up in the north, the Peace river district. The Yellowhead route will tap in the centre, not either at the south end or at the far north end. That seems a practical approach to the matter of getting best advantage out of all three fields.

The second thing of course is that the Yellowhead pass is the best pass through the Rocky mountains. The C.N.R. are fortunate in having that pass, as the hon. member for Edmonton West has said, and I join him in all his remarks except in his conclusion. He said that would undoubtedly be the most practical of the routes to be built. An interesting thing was that despite all these protestations of Mr. Dixon that they were interested in building a Canadian route, if economically feasible, they have never done anything serious about the Yellowhead route. I know a little bit about the Edmonton route because some months ago I made a speech in the house and I described the Westcoast Transmission Company as having deceived us because they applied for the Monkman pass through British Columbia, and when they got the bill through they ran off to the board of transport commissioners and applied for the same route that these other American companies are asking for. Shortly after this speech, I received a visit from a friend of mine who is a mining engineer, who told me that his firm had been hired by the Westcoast Transmission Company to run their survey through the Yellowhead pass. I have great faith in this man. I knew him years ago as a mining engineer. Later he was a good army engineer. He was captured at Dieppe, and as a matter of fact one of his best engineering feats was the famous escape tunnel at Oflag 4C through which he and the former member for Vancouver-Burrard escaped a few years ago. He is a Canadian, and is interested as a Canadian, not as an American promoter trying to make as much money as he can through easy exploitation of Canada. He assures me as an engineer, whose opinion I respect, that after having done a detailed survey he believes that the Yellowhead route is practical and feasible. One other thing is that I was struck tonight by the fact that these companies, which give the assurance so easily outside the house to members that if practical they will build in Canada, are also apparently just as casual in giving assurance to cabinet ministers. But when the chips are down and assurances are to be given either in the standing committee or committees, or better by an agreed amendment to the bill, there is a strange silence on the part of the sponsors of these bills.

The next reason why I feel that there should be a Canadian route has been very well described by many of the members who have spoken before me; that is the matter of Canadian development. As to that route through British Columbia, if it does cost $17 million, which is the top figure Mr. Dixon gave, the people of Vancouver are not averse to paying an extra charge for the gas if it will help British Columbia development. They will still make great savings because the public utilities people in Vancouver have said that the cost will still be about half the cost of our present manufactured gas, and that the cost of heating by gas will be about half the cost of heating by coal.

Vancouver has never been a hogtown. Vancouver has always realized that its richness depended on the riches of the hinterland of British Columbia; that from the logging camps, the mines, farms and fisheries of British Columbia came the wealth of the city of Vancouver. For Vancouver to prosper, all British Columbia must prosper. For too long our province of British Columbia has been what I am going to describe in a phrase used by a man who I regret to see is now one of the incorporators in this bill, namely, Mr. H. R. MacMillan, a great British Columbian who has done a tremendous amount to develop British Columbia. About fifteen years ago in a speech to the Vancouver board of trade which made a great impression on me, as I am sure it did on all his listeners, he traced the retarded development of our province because for too long—and these were his words, and they were biblical words—we have been regarded as hewers of wood and drawers of water. Before the war we cut our logs up, loaded them in barges and they went to Japan, Australia or England. For a long time we did not even get the work of cutting our own logs into lumber. We loaded our ore and concentrates in boats and did the same thing, sending it to other countries for processing. In my own riding is a mine in

which I worked at one time, Britannia mine, one of the great copper mines of the world, a mine which has been in operation for over forty years. Britannia mine at times reached production of 8,500 tons a day and today still produces 4,000 tons. We have never done any more than take the ore out of the ground, mill it and ship it to the American side to Tacoma, a city which is built upon British Columbia ore, Britannia ore.

At the beginning, it was thought not economically feasible to smelt the ore in Canada. We had the lime, the coal and the copper ore, all on sea water within twenty miles of each other, but still it was said to be not feasible. But down it went to Tacoma where they also used our coal and lime, only because again it was American interests who owned the mine and who naturally were anxious to spend their money on the American side. In that forty years we could have built a smelter town in British Columbia of the size of Tacoma; but for forty years that ore has gone to Tacoma, in the same way as our logs and our pulp in the past have gone out of the country. Only in the last twenty years have we seen the beginning of secondary industry in British Columbia. Now again in these pipe line bills we see this desire to export our resources to the United States as fast as possible. That is why the British Columbia legislature, city councils and boards of trade across our province have said, "We are opposed to the granting of any franchise or any charter to a company whose announced policy is to take gas through the American route."

Finally I want to deal with this monopoly cry. The cry is that if we oppose these charters and if we vote against these charters and deny them, we will then be fastening a monopoly on the country, because we will be protecting the one charter given to the Westcoast Transmission Company a year ago. That charter has not been shown to be of much use so far because the government of Alberta have refused to give it any consideration until other firms are in the field with charters.

I want to say at this point how proud I was two years ago before the railway committee to hear geologists of two of the largest companies say—and to see their remark repeated the following year at the mining convention to which I alluded earlier—that the oil and gas policy of the Alberta government today is the best on the entire continent. That is why they are refusing to deal with just one company, for after all they said they will not give gas to this one company as long as they are alone. They will only give gas when there are competitors in the field and they can pick the best of them. No monopoly has thus been created so far when the one company with a charter cannot proceed any further because of the vision and good management of the Alberta government. The only people who are creating a monopoly are the actual sponsors of these bills. All they have to do to ensure their passage is to agree to an amendment providing a Canadian route. I do not think this parliament should foist such an amendment on them, because I think that is contrary to the spirit of a private bill. The company or individual who brings forth a private bill has that knowledge of the thing which he wants. If he cannot get that, if parliament says he is not to get that, then it turns it down. To add an amendment to it unacceptable to the sponsor is useless, because the company will not go on with it; they will let the thing lie dormant. If these pipe line companies are sincere, and if they want to end the pipe line monopoly that the Westcoast Transmission Company has, then let them come forward and give the assurance in a form which will carry weight, this assurance that they have apparently promised outside the house where it has no real weight, by amending one of the sections of this bill, of their own volition, to specify building a Canadian route. If that were to happen there would not be one member in this House of Commons who would vote against these bills. We would then have three pipe line companies with charters, and it would be for the Alberta government to choose between them as to which one they thought best fitted to carry the gas to this market in the way most beneficial both to Alberta and to the people of Canada generally.

For these reasons, on the third reading of this bill, I intend to vote against the granting of these charters, not to create a monopoly but to make these companies realize the day of the ready and quick export of the raw resources of this country is ended and we must think in terms of Canada first.

Mr. Byrne: Mr. Chairman—

Mr. MacInnis: British Columbia is falling in line. Don't carry this filibuster too far.

Mr. Byrne: I had not expected to speak on this bill this evening, because I thought I had said enough in committee, but several objections have been raised as to the way in which the committee carried on its business. Personally, I felt at times that probably it would have been better if we had allowed more time for the taking of evidence. It is quite evident from the disclosures we have had here tonight that any evidence that might have been given by Mr. Dixon particularly would not have carried a great deal of weight anyway,

because it has been indicated by previous speakers that they did not consider that he had given much thought to anything that he had prepared, and that most of his figures had been refuted in some way.

I think the big mistake regarding this whole question, particularly this evening, was that the committee did not sit for the purpose of determining a route for the proposed gas pipe line. The purpose of the committee was to determine the qualifications of the company under the Pipe Lines Act, and thereby grant a charter similar to the charter that has been granted to the Westcoast Transmission Company.

The hon. member for Vancouver-Quadra indicated that it was improper for other people who were not members of the committee to be interested in the procedure.

Mr. Green: No. On a question of privilege, Mr. Chairman, I did not say that. I said that it was improper for the sponsor of the bill to be a member of the committee.

Mr. Byrne: The hon. member for Vancouver-Quadra also brought in the question of the hon. member for Vancouver Centre being interested in what was taking place.

Mr. Green: He certainly was.

Mr. Byrne: I also noted a great deal of interest taken in the proceedings by other people. I noticed that the hon. member for Fraser Valley, the sponsor of the bill that was passed last April granting a charter to the Westcoast Transmission Company, was very active in the committee room. He seemed to take a great deal of interest in the procedure, and no doubt helped in some measure in the opposition that was being carried on.

It has been indicated that in the committee we did not take sufficient time to hear all of the witnesses. Upon entering that committee the first thing I noticed was that there seemed to be a determined effort to waste time. On two occasions I rose to point out the fact that time was being wasted.

Mr. Connolly, who was solicitor for the company, on presenting his case, read a brief that he had prepared. Upon finishing the brief he indicated that the man who would have the facts—I may be unwise even to consider anything a pipe line company had as facts—was Mr. Dixon, who would be able to put us straight on almost every question that would arise. Well, it was insisted that Mr. Connolly take the stand, and he was held on the stand for some two hours, and almost every other question that was put to him was a technical question, and he could not answer them. Mr. Dixon, who sat alongside him with all the information at his fingertips, was denied the right to answer at that time. I say that that was a definite attempt to waste considerable time, and it was done.

Mr. Smith (Calgary West): You had control of the committee. Why didn't you fix it as you fixed everything else?

Mr. Byrne: The hon. member said that we had control of the committee. I was new on parliamentary committees, but not new on all committees. I have had some experience, and I have seen many attempts made at committee meetings to dominate the committee. I saw early that that was what was going to be done by those opposing the bill. There was a motion moved that this committee follow the usual procedure of other committees and revert to twelve members. There was considerable objection to that, and when it was voted down I heard someone to my left say: "Well, we won the first round." I could see from that there were definite attempts being made to take sides in the whole affair.

It has been indicated by the pipe lines bill and by everyone in the house that this matter of routes does not come under the bill; that we could not write into those bills what the route should be; that that would be for the board of transport commissioners to decide. The board of transport commissioners are civil servants who are paid in the neighbourhood of $10,000 a year to look after the best interests of the Canadian people. I, as a member of a democratic government and country, have absolute faith in the civil servants who are paid to look after our interests, and I do not intend even to indicate that I would take the word of a director of any pipe line company, or of any other company, as a declaration that they will look after the best interests of the Canadian people. But that is not their function. Their function is to look after the best interests of their shareholders, and that is what they are paid to do.

I personally feel that the board of transport commissioners are the ones who will determine. If it is not possible for us to get sufficient data on it so that we can say categorically that a line must go in any one particular direction, we cannot take the place of those people who are paid to know those things and who study them completely.

It has been said in the debate that the Yellowhead route is the one to follow, and that anyone who votes for these companies which are now applying for a charter is voting against the Yellowhead route. That is not so. Mr. Dixon, who gave evidence, is I understand the president of the company. He said that he would build a pipe line where the board of transport commissioners,

or anyone else in authority in Canada, directed him to build it. That could be the Yellowhead route. I do not think the company that now has a charter has any franchise for the Yellowhead route or any other route, because I believe they have also surveyed and applied for a permit to use the noted route known as the Crowsnest-Spokane route. They have made application to follow this route, so that one can see at once that there is no franchise on any of the routes; and whichever is determined as the most suitable to Canadian needs will be the one to be built.

To vote for these bills is not to vote for a route. It is a vote for the best interests of the Canadian people. It was stated categorically in the committee that they would build an all-Canadian route if it was determined that that was the most logical and feasible of the routes. It has been brought out by the previous speaker that the Canadian National Railways and the Canadian Pacific Railway are the logical companies to build these pipe lines. I am sure the committee on which I served would have been just as willing to grant a charter either to the C.P.R. or to the C.N.R. to build a pipe line, if such a bill had been before it.

But we were not considering a bill of that kind; it was not a bill to incorporate the C.P.R. or the C.N.R. We were simply discussing a pipe line bill, and the committee was not railroading in any shape or form. It was performing its duties as best it knew how.

It was stated in committee—I said it myself—that there was considerable time wasted in the house in the last four months listening to people discussing pipe lines who knew nothing whatever about them. Those same people, in my humble opinion, wasted a lot of time in committee expressing their opinions and framing questions they knew could not be answered.

Mr. Smith (Calgary West): Would you care to be more particular? Who were they?

Mr. Byrne: I had not intended to speak on this question tonight. I wish to assure the committee, however, that when I speak I do so to exonerate members who sat on the committee from the charge that they did not act in accordance with parliamentary procedure. I feel they did. Further, if we were to imagine that the route depended upon our decision here tonight, we would be under a misapprehension. That will not be determined. If we turned down these bills it would not mean that the pipe line would travel through the Yellowhead route.

I asked both engineers who appeared before the committee if it was economical or feasible to supply the cities of Trail and Nelson by following the Yellowhead route. I asked both men and directed my question particularly to Mr. Dixon, who has been in the pipe line business practically all his life. His statement is on record, and I doubt very much if he would make a statement knowing it to be false. His reply was that it was impractical and most unlikely that a pipe line built through the Yellowhead route would be able to serve those places economically. That was another reason for wishing to have others incorporated, and also for taking in the southeast corner of British Columbia through the use of the Crowsnest route.

It should be well understood that in any decision we make in this matter we are not determining the route. Let me repeat that I have more confidence in our civil servants than some seem to have. I believe they will look after the best interests of the Canadian people to an extent greater than would be indicated in any declaration made by anyone in any incorporated company.

Mr. Laing: Mr. Chairman, I believe we are drawing to the end of a debate which has been characterized by a great deal of material, some of which has been relevant, some semi-relevant and some utterly irrelevant. I hope what I have to say tonight will be at least semi-relevant to the subject.

Part of the argument I was going to advance has already been made by the hon. member for Edmonton West, and part of it has been made by the hon. member for Coast-Capilano. In our province of British Columbia we are particularly concerned with the development of industry within the province. The hon. member for Edmonton West has said that he spent twenty years in Alberta. Well, some time this fall I shall have spent forty-six years in British Columbia. I take second place to no one in this chamber in my knowledge of that province, and I think I know some of the factors in connection with it that make it difficult for us at times in the province of British Columbia.

I speak with particular reference to the fact that within greater Vancouver we have over half the entire population of the province. We have not the clearest weather, but almost any day one can go to one of the higher promontories of our beautiful city,

look south and see the escarpment of Point Roberts, which is in the United States of America.

Our city is about fifteen miles north of the United States boundary, and in it we have a great concentration of people. That, in part, lends itself to the difficulties we have in matters of employment at certain seasons of the year. We in British Columbia want to decentralize our industry. We have to build up a great country north of Prince George. We have got to develop the Kootenays and develop further the Okanagan district. We are too much in one place, in British Columbia, for our own good.

Reference has been made by the hon. member for Coast-Capilano to the development which has taken place in the northwestern states of the United States. This started with the policy of that great president, President Roosevelt, who thought it wise to put more people in the northwestern states. Great development has taken place there. I believe the development of those states—and I am referring particularly to Washington, Oregon, Idaho and the western tier of Montana—has been subsidized by the federal government of the United States to the extent of at least 25 per cent in the last twenty years. They have great curving highways. These are military highways, because they were built by engineers of the United States government. They have Grand Coulee—indeed, they have, as a matter of fact, 27 per cent of all the developed power in the United States and 41 per cent of the potential.

Little wonder that our people in British Columbia look somewhat askance at any plan which might send natural gas or other fuels down to those states to build them up. We know something about the economic pull. The people of British Columbia today want the 49th parallel to remain the division between our two great countries. If we get too great development there we know what it will mean economically. As a matter of fact, in our part of the country there is today an organization known as the northwest trade and development association. I believe that is the name of it. It has members on both sides of the line, in the United States of America and in Canada. What can come out of that, I do not know; but it indicates some of the primary and basic thinking that might lead to a change of that line.

I do not want to see it changed. I do not think it needs to be changed if we take some care, as two or three other members have said, in seeing to it that we get the first use of the primary products which enter into the cost of manufacturing and industrial processes in Canada. Unlike some members, I believe we have to have faith in our board of transport commissioners. In addition, I have a great deal of faith in the petroleum and oil conservation board of Alberta. As it stands, I intend to vote for these bills, but inside and outside the house I am going to do my very best to build up an opinion in our province that will demand that, before any gas is exported to the United States, the line proceed through British Columbia and end in Vancouver so far as Canada is concerned.

Mr. Knight: Mr. Chairman, I am not from British Columbia, but I am exceedingly happy at the turn the debate has taken tonight. In the five years I have been in the house I have never seen such an extraordinary change, as it were, in the opinions of certain members of the house. As I say, I am very happy at the turn it has taken. I should like to congratulate particularly the hon. member for Coast-Capilano in whom for the first time tonight I thought I recognized some semblance to the same old member for Vancouver North whom we used to admire so much in this house for his independent and crusading spirit. I had to take him to task the other day, and I think he deserved it, for continually interrupting speeches in the house, and at that moment mine particularly. May I say I shall be delighted to take back that chastisement, verbal only of course, in view of his change of mind? I have no doubt in my own mind that this general change of heart has been the work of the same hon. member for Coast-Capilano.

There is one thing that has occurred to me in this surprising debate. I have a little difficulty at times, and I think some other members of the house also have, in understanding exactly what the hon. member for Kootenay East means when he speaks. I admit I had some difficulty tonight in completely understanding his position, or even his words. He talked much of what he pronounces as pipe line "routs". May I suggest that this recantation on the part of these fine young British Columbia members perhaps spells the rout of pipe lines at least in regard to the route through the United States. The hon. member for Kootenay East also accused certain people in the house and on the committee, people whom he did not name, of holding up this particular legislation by what has been called a filibuster. I took no part in that in the committee and little in the house, but I want to say to the hon. member for Kootenay East and to other members who have spoken, and who in my opinion have

recanted tonight, that if it had not been for that same holding up of this legislation in the house and in the committee by the members of the various opposition groups the thing would have slipped through before now without any opposition from the particular members who have spoken tonight.

Again may I say I am delighted at the turn that events have taken at this last minute.

When I take part in proceedings of the committee of the whole dealing with a bill sponsored by the government I expect to see someone over there on the government benches who is prepared to answer questions concerning the clauses of the bill. There is a minister of the crown who assumes that responsibility. I wonder where the sponsor of this present bill is tonight? Did he perchance have advance notice of the turn that events were going to take and leave the chamber in disgust? I did not intend to take part in the general debate, but I did intend to ask the sponsor of the bill a question or two with respect to one of the clauses. I see he is not in the house. Under the circumstances if I were in his position perhaps I should not be in the house either.

Mr. Cruickshank: Mr. Chairman, I am not going to take very much time tonight. I think I should say a word or two as I have been accused, particularly by one or two of my young colleagues to the right, of having had something to do with a filibuster in connection with this measure. I dispute that. I think if you will check the time taken tonight as indicated by the speeches recorded in *Hansard*, the time taken generally throughout debate on this measure, and also the time taken in the committee, you will see that is not so. I will not go so far as to designate as a committee the meeting held the other day in the railway committee room.

I have only been a member of the house since 1940, a short time, but it is the first time during that period of years that five members from my province who were definitely on one side of a question were put on a committee when the only member from this side of the house who had declared himself as opposed to the measure was most emphatically left off the committee. I never saw a committee like that before. Unlike yourself, Mr. Chairman, in your official civilian capacity I never attend court if I can help it because if I should happen to do so I would most likely be on the wrong side of the bench. I have attended court a few times. I like to go and hear brilliant lawyers, like many of those in this house, expound cases before juries. I have yet to see a defence lawyer whisper continually in the ears of the jurors. Nor have I ever in my limited experience in the courts of Canada seen a defence lawyer whisper time after time in the ear of the judge presiding over a case with a jury. I did not go very much for that jury the other day.

I do not intend to say a great deal tonight. As I said, I have been accused of having a small part in a so-called filibuster. If I have I am proud of that fact inasmuch as I come from the province of British Columbia because tonight we had the experience of one of the most brilliant speakers and minds in my opinion from my province or any other part of Canada making the speech that I have been waiting for him to make. It will be enjoyed by every Canadian in my province.

Section stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow we will move to go into supply and call two departments, national health and welfare and post office. The item called in the Department of National Health and Welfare will stand. The item called in the Post Office Department will be discussed so that questions put by members concerning the denial of the use of the mail service to certain people may be aired. Then we will move to go into ways and means with the hope of a vote on the amendment of the leader of the opposition so that we may continue consideration of the budget resolutions.

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

END OF VOLUME II